



**Nigerian Breweries Plc**

RC: 613

## **Unaudited Condensed Interim Financial Statements**

**For the Nine Months Ended 30<sup>th</sup> September, 2015**

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## CONDENSED INTERIM INCOME STATEMENT

For the three-month period ended 30th September,		Group	Company	Company
	Notes	2015 N'000	2015 N'000	2014 N'000
Revenue		63,245,583	63,245,583	53,243,398
Cost of Sales		(35,789,528)	(35,789,528)	(28,428,067)
<b>Gross Profit</b>		<b>27,456,055</b>	<b>27,456,055</b>	<b>24,815,331</b>
Other Income		88,506	88,506	529,604
Marketing and Distribution Expenses		(11,181,829)	(11,181,829)	(8,155,667)
Administrative Expenses		(7,502,913)	(7,458,936)	(6,850,042)
<b>Results from operating activities</b>		<b>8,859,819</b>	<b>8,903,796</b>	<b>10,339,226</b>
Finance income	7a	10,880	10,880	31,645
Finance costs	7b	(2,353,538)	(2,353,538)	(1,669,551)
<b>Net Finance costs</b>		<b>(2,342,658)</b>	<b>(2,342,658)</b>	<b>(1,637,906)</b>
Profit before tax		6,517,161	6,561,138	8,701,320
Income tax expenses	8	(1,874,765)	(1,874,765)	(2,746,043)
<b>Profit after tax</b>		<b>4,642,396</b>	<b>4,686,373</b>	<b>5,955,277</b>
Profit for the year attributable to:				
<b>Owners of the Company</b>		4,646,862	4,686,373	5,955,277
Non-controlling interest		(4,466)	-	-
<b>Profit for the period</b>		<b>4,642,396</b>	<b>4,686,373</b>	<b>5,955,277</b>
Earnings per share				
Basic Earnings per share (kobo)		59	59	79
Diluted earnings per share (kobo)		59	59	79

**CONDENSED INTERIM STATEMENT OF OTHER  
 COMPREHENSIVE INCOME**

**For the three-month period ended 30th September**

	<b>Group *2015 N'000</b>	<b>Company 2015 N'000</b>	<b>Company 2014 (N'000)</b>
<b>Profit for the period</b>	<b>4,646,862</b>	<b>4,686,373</b>	<b>5,955,277</b>
Other comprehensive income, net of tax		-	
<b>Total comprehensive income for the period</b>	<b>4,646,862</b>	<b>4,686,373</b>	<b>5,955,277</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company	4,646,862	4,686,373	5,955,277
<b>Total comprehensive income for the period</b>	<b>4,646,862</b>	<b>4,686,373</b>	<b>5,955,277</b>

The notes on pages 12 to 17 are an integral part of these interim financial statements.

\* The effective date of the merger with Nigerian Breweries Plc was 31<sup>st</sup> December 2014. Accordingly, the condensed statement of comprehensive income of the Company for the comparative period does not include the comprehensive income of Consolidated Breweries Plc.

**CONDENSED INTERIM INCOME STATEMENT**

**For the nine-month period ended 30th September**

	Notes	Group	Company	Company
		2015 N'000	2015 N'000	2014 N'000
Revenue		214,918,810	214,918,810	194,739,091
Cost of Sales		(114,223,792)	(114,223,792)	(99,777,240)
<b>Gross Profit</b>		<b>100,695,018</b>	<b>100,695,018</b>	<b>94,961,851</b>
Other Income		357,714	357,714	1,185,806
Marketing and Distribution Expenses		(32,871,951)	(32,871,951)	(29,908,915)
Administrative Expenses		(25,414,037)	(25,358,211)	(20,233,664)
<b>Results from operating activities</b>		<b>42,766,744</b>	<b>42,822,570</b>	<b>46,005,078</b>
Finance income	7a	536,702	530,004	633,849
Finance costs	7b	(5,741,052)	(5,784,923)	(4,055,462)
<b>Net Finance costs</b>		<b>(5,204,350)</b>	<b>(5,254,919)</b>	<b>(3,421,613)</b>
Profit before tax		37,562,394	37,567,651	42,583,465
Income tax expenses	8	(11,386,672)	(11,386,672)	(12,756,530)
<b>Profit after tax</b>		<b>26,175,722</b>	<b>26,180,979</b>	<b>29,826,935</b>
Profit for the year attributable to:				
Owners of the Company		26,180,979	26,180,979	29,826,935
Non-controlling interest		(5,257)	-	-
<b>Profit for the period</b>		<b>26,175,722</b>	<b>26,180,979</b>	<b>29,826,935</b>
Earnings per share				
Basic Earnings per share (kobo)		330	330	394
Diluted earnings per share (kobo)		330	330	394

**CONDENSED INTERIM STATEMENT OF  
 OTHER COMPREHENSIVE INCOME**

**For the nine-month period ended 30th September**

	<b>Group *2015 N'000</b>	<b>Company 2015 N'000</b>	<b>Company 2014 N'000</b>
<b>Profit for the period</b>	<b>26,180,979</b>	<b>26,180,979</b>	<b>29,826,935</b>
Other comprehensive income, net of tax		-	-
<b>Total comprehensive income for the period</b>	<b>26,180,979</b>	<b>26,180,979</b>	<b>29,826,935</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company	26,180,979	26,180,979	29,826,935
<b>Total comprehensive income for the period</b>	<b>26,180,979</b>	<b>26,180,979</b>	<b>29,826,935</b>

The notes on pages 12 to 17 are an integral part of these interim financial statements.

\* The effective date of the merger with Nigerian Breweries Plc was 31<sup>st</sup> December 2014. Accordingly, the condensed statement of comprehensive income of the Company for the comparative period does not include the comprehensive income of Consolidated Breweries Plc.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

For the period ended	30th September		31st December	
	Group 2015 N'000	Company 2015 N'000	Group 2014 N'000	Company 2014 N'000
Notes				
<b>ASSETS</b>				
Property, plant and equipment	195,164,021	194,989,021	193,800,450	193,569,624
Intangible assets and goodwill	96,801,270	96,801,270	97,969,253	97,969,253
Investments	150,000	785,754	150,000	829,625
Other receivables	609,522	609,522	189,710	189,710
Prepayments	-	-	187,889	187,889
<b>Non-current assets</b>	<b>292,724,813</b>	<b>293,185,567</b>	<b>292,297,302</b>	<b>292,746,101</b>
Inventories	26,975,222	26,975,222	28,478,459	28,478,459
Trade and other receivables	23,529,090	23,529,090	16,357,156	16,357,156
Prepayments	1,553,050	1,553,050	1,822,499	1,822,499
Deposit for imports	2,607,293	2,607,293	364,674	364,674
Cash and cash equivalents	11,215,030	11,213,853	5,700,257	5,699,079
Assets held for sale	4,177,379	4,177,379	4,208,816	4,208,816
<b>Current assets</b>	<b>70,057,064</b>	<b>70,055,887</b>	<b>56,931,861</b>	<b>56,930,683</b>
<b>Total assets</b>	<b>362,781,877</b>	<b>363,241,454</b>	<b>349,229,163</b>	<b>349,676,784</b>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

For the period ended	30th September		31st December		
	Group	Company	Group	Company	
	2015 N'000	2015 N'000	2014 N'000	2014 N'000	
	Note:				
<b>EQUITY</b>					
Share capital		3,964,551	3,964,551	3,781,353	3,781,353
Share premium		64,950,103	64,950,103	4,567,967	4,567,967
Share based payment reserve		289,730	289,730	241,676	241,676
Retained earnings		101,155,626	101,155,626	102,726,500	102,726,500
Equity contribution reserve		-	-	60,565,334	60,565,334
<b>Equity attributable to owners of the company</b>		<b>170,360,010</b>	<b>170,360,010</b>	<b>171,882,830</b>	<b>171,882,830</b>
<b>Non-controlling interest</b>		<b>76,176</b>	<b>-</b>	<b>81,433</b>	<b>-</b>
<b>Total Equity</b>		<b>170,436,186</b>	<b>170,360,010</b>	<b>171,964,263</b>	<b>171,882,830</b>
<b>LIABILITIES</b>					
Loans and borrowings		533,352	533,352	24,670,000	24,670,000
Employee benefits		10,883,032	10,883,032	10,735,596	10,735,596
Deferred tax liabilities		27,501,830	27,501,830	27,833,732	27,833,732
<b>Non-current liabilities</b>		<b>38,918,214</b>	<b>38,918,214</b>	<b>63,239,328</b>	<b>63,239,328</b>
Bank overdraft		27,685,422	27,685,422	230,380	230,380
Current tax liabilities		17,671,263	17,667,063	22,948,829	22,944,629
Dividend payable		7,621,898	7,621,898	7,563,291	7,563,291
Trade and other payables		100,448,894	100,988,847	83,283,072	83,816,326
<b>Current liabilities</b>		<b>153,427,477</b>	<b>153,963,230</b>	<b>114,025,572</b>	<b>114,554,626</b>
<b>Total liabilities</b>		<b>192,345,691</b>	<b>192,881,444</b>	<b>177,264,900</b>	<b>177,793,954</b>
<b>Total equity and liabilities</b>		<b>362,781,877</b>	<b>363,241,454</b>	<b>349,229,163</b>	<b>349,676,784</b>

Approved by the Board of Directors on the 21<sup>st</sup> of October 2015 and signed on its behalf by:

(SIGNED)

\_\_\_\_\_ Mr. Nicolaas A. Vervelde (Managing Director /CEO)

(SIGNED)

FRC/2013/IODN/00000002016

\_\_\_\_\_ Mr. Mark P. Rutten (Finance Director)

FRC/2014/IODN/00000009921

The notes on pages 12 to 17 are an integral part of these financial statement



For the nine-month period ended 30th September, 2015

**Group**

	Share capital N'000	Share premium N'000	Share based Payment reserve N'000	Retained earnings N'000	Equity Contribution reserve N'000	Total N'000	Non- Controlling Interest N'000	Total Equity N'000
Notes								
Balance at 1 <sup>st</sup> January 2015	3,781,353	4,567,967	241,676	102,726,500	60,565,334	171,882,830	81,433	171,964,263
Profit for the period	-	-	-	26,180,979	-	26,180,979	-	26,180,979
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	<b>26,180,979</b>	-	<b>26,180,979</b>	-	<b>26,180,979</b>
<b>Transaction with owners, recorded directly in equity</b>								
<b>Contributions and distributions</b>								
Equity contribution reserve						-		-
Issue of Ordinary shares	183,198	60,382,136			(60,565,334)	-		-
Share based payment charge			136,361			136,361		136,361
Share based payment recharge			(88,307)			(88,307)		(88,307)
Dividends				(27,751,853)		(27,751,853)		(27,751,853)
Unclaimed dividends written back								-
<b>Total contributions and distributions</b>	-	<b>183,198</b>	<b>60,382,136</b>	<b>48,054</b>	<b>(27,751,853)</b>	<b>(60,565,334)</b>	-	<b>(27,703,795)</b>
<b>Changes in ownership interest</b>								
Acquisition of subsidiary						-	(5,257)	(5,257)
<b>Total transactions with owners of the company</b>						-	<b>(5,257)</b>	<b>(5,257)</b>
<b>Balance as at 30th September, 2015</b>	<b>3,964,551</b>	<b>64,950,103</b>	<b>289,730</b>	<b>101,155,626</b>	-	<b>170,360,010</b>	<b>76,176</b>	<b>170,436,186</b>

**Condensed interim statement of changes in equity**

For the nine-month period ended 30th September, 2015

**Company**

	Notes	Share capital N'000	Share premium N'000	Share based Payment reserve N'000	Retained earnings N'000	Equity Contribution reserve N'000	Total N'000
Balance at 1 <sup>st</sup> January 2015		3,781,353	4,567,967	241,676	102,726,500	60,565,334	171,882,830
Profit for the period		-	-	-	26,180,979	-	26,180,979
Other comprehensive income for the period							
<b>Total comprehensive income for the period</b>		-	-	-	<b>26,180,979</b>	-	<b>26,180,979</b>
<b>Transaction with owners, recorded directly in equity</b>							
<b>Contributions and distributions</b>							
Equity contribution reserve							-
Issue of Ordinary shares		183,198	60,382,136			(60,565,334)	-
Share based payment charge				136,361			136,361
Share based payment recharge				(88,307)			(88,307)
Dividends					(27,751,853)		(27,751,853)
Unclaimed dividends written back							-
<b>Total contributions and distributions</b>	-	<b>183,198</b>	<b>60,382,136</b>	<b>48,054</b>	<b>(27,751,853)</b>	<b>(60,565,334)</b>	<b>(27,703,799)</b>
<b>Changes in ownership interest</b>							
Acquisition of subsidiary							-
<b>Total transactions with owners of the company</b>					<b>(27,751,853)</b>	-	<b>(27,751,853)</b>
<b>Balance as at 30th September, 2015</b>		<b>3,964,551</b>	<b>64,950,103</b>	<b>289,730</b>	<b>101,155,626</b>	-	<b>170,360,010</b>

**STATEMENT OF CHANGES IN EQUITY**

For the nine-month period ended 30th September 2014

Company	Notes	Share capital N'000	Share premium N'000	-	Share based payment based N'000	Retained earnings N'000	Total equity N'000
Balance at 1st January 2014		3,781,353	4,567,967	-	50,114	103,959,751	112,359,185
Profit for the period		-	-	-		29,826,935	29,826,935
Other comprehensive income for the period		-	-	-			
<b>Total comprehensive income for the period</b>						<b>29,826,935</b>	<b>29,826,935</b>
<b>Transaction with owners, recorded directly in equity</b>							
Share based payment charge		-	-	-	88,201	-	88,201
Share based payment recharge		-	-	-	(30,012)	7,330	(22,682)
Dividends		-	-	-		(34,032,170)	(34,032,170)
Unclaimed dividends written back		-	-	-	-		-
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>58,189</b>	<b>(34,024,840)</b>	<b>(33,966,651)</b>
<b>Balance at 30th September, 2014</b>		<b>3,781,353</b>	<b>4,567,967</b>	<b>-</b>	<b>108,303</b>	<b>99,761,846</b>	<b>108,219,469</b>

**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
For the nine-month period ended 30th September

Notes	Group 2015 N'000	Company 2015 N'000	Company 2014 N'000
<b>Cash flows from operating activities</b>			
Profit for the period	26,175,722	26,180,979	29,826,935
Adjustments for:	-		
Depreciation	19,702,178	19,646,352	18,875,052
Amortization of intangible assets	1,264,007	1,264,007	350,254
Finance income	(536,702)	(530,004)	(633,849)
Interest expenses	4,168,200	4,174,897	3,380,917
Loss on investment		43,871	
Gratuity, employee benefit and share based payment charges	1,890,703	1,890,703	65,519
(Gain)/loss on sale of property, plant and equipment	(26,467)	(26,467)	(673,170)
Income tax expense	11,386,672	11,386,672	12,756,530
	<b>64,024,313</b>	<b>64,031,010</b>	<b>63,984,188</b>
Changes in:			
Inventories	1,503,237	1,503,237	(4,581,665)
Trade and other receivables	(7,591,746)	(7,591,746)	(7,757,338)
Prepayments	457,338	457,338	(1,167,068)
Trade and other payables	5,497,503	5,490,806	(3,880,860)
Deposit for imports	(2,242,619)	(2,242,619)	(301,455)
<b>Cash generated from operating activities</b>	<b>61,648,026</b>	<b>61,648,026</b>	<b>46,259,802</b>
Income tax paid	(16,664,238)	(16,664,238)	(20,120,392)
Payment on Gratuity and Share	(1,470,113)	(1,470,113)	-
Long service awards paid	(273,154)	(273,154)	-
VAT paid*	(8,120,177)	(8,120,177)	-
<b>Net cash from operating activities</b>	<b>35,120,344</b>	<b>35,120,344</b>	<b>26,139,410</b>
<b>Cash flows from investing</b>			
Finance income	321,112	321,112	633,849
Proceeds from sale of property, plant and equipment	180,554	180,554	850,043
Cash paid for the merger per the scheme document	(4,347,275)	(4,347,275)	-
Acquisition of property, plant and equipment	(21,403,100)	(21,403,100)	(22,182,720)
Acquisition of intangible assets	(134,923)	(134,923)	(31,458)
<b>Net cash used in investing</b>	<b>(25,383,632)</b>	<b>(25,383,632)</b>	<b>(20,730,286)</b>
<b>Cash flows from financing</b>			
Proceeds from loans and borrowings	-	-	29,000,000
Repayment of loans and borrowings	(136,648)	(136,648)	-
Interest paid	(3,847,086)	(3,847,086)	(3,380,917)
Dividends paid	(27,693,246)	(27,693,246)	(33,340,612)
<b>Net cash used in financing activities</b>	<b>(31,676,980)</b>	<b>(31,676,980)</b>	<b>(7,721,529)</b>
Net (decrease)/increase in cash and cash equivalents	(21,940,268)	(21,940,268)	(2,312,405)
Cash and cash equivalents at 1 <sup>st</sup>	5,469,877	5,468,699	9,528,848
<b>Cash and cash equivalents at 30th September</b>	<b>(16,470,391)</b>	<b>(16,471,569)</b>	<b>7,216,443</b>
<b>Represented by:</b>			
Cash balance	11,215,031	11,213,853	7,216,443
Bank Overdraft	(27,685,422)	(27,685,422)	-
	<b>(16,470,391)</b>	<b>(16,471,569)</b>	<b>7,216,443</b>

The notes on pages 12 to 17 are an integral part of these financial statements.

\* Value Added Tax (VAT) paid shown separately above has been adjusted for in deriving the change in trade and other payables. Due to effective date of the merger being 31<sup>st</sup> December 2014, the condensed statement of cash flows for the comparative period excludes the cash flows of the dissolved Consolidated Breweries Plc.

## Notes to the condensed interim financial statements

### 1. REPORTING ENTITY

Nigerian Breweries Plc, a public Company quoted on the Nigerian Stock Exchange, was incorporated in Nigeria on the 16<sup>th</sup> November 1946, under the name, Nigerian Brewery Limited. The name was changed on 7<sup>th</sup> January 1957, to Nigerian Breweries Limited and thereafter to Nigerian Breweries Plc in 1990 when the Companies and Allied Matters Act of that year came into effect. The Company is a subsidiary of Heineken N.V. a company domiciled in the Netherlands, the latter having a 54.29% interest in the equity of Nigerian Breweries Plc. The registered office is 1, Abebe Village Road, Iganmu, Lagos. The condensed interim financial statements of the Company as at and for the nine-month period ended 30<sup>th</sup> September 2015 comprise the Company and its subsidiaries.

The financial statements of Nigerian Breweries Plc as at and for the year ended 31<sup>st</sup> December 2014 are available upon request from the Company's registered website [www.nbplc.com/investor\\_relations](http://www.nbplc.com/investor_relations)

### 2. BASIS OF PREPARATION

#### a. Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of Nigerian Breweries Plc as at and for the year ended 31<sup>st</sup> December 2014.

These condensed interim financial statements were approved by the Board of Directors of the Company on 21<sup>st</sup> October, 2015.

#### b. Functional and presentation currency

These condensed interim financial statement are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless stated.

#### c. Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimate and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31<sup>st</sup> December 2014.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a. General

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31<sup>st</sup> December 2014.

#### b. Income tax

Income tax expenses are recognised based on management's best estimated of the weighted average expected full year income tax rate.

#### 4. SEASONALITY

The performance of the Company is subject to seasonal fluctuations as a result of weather conditions and festivities. The Company's full year results and volumes are dependent on the performance in the peak-selling season, typically resulting in higher revenue and profitability in the last quarter of the year. The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

#### 5. PRO-FORMA RESULTS AT A GLANCE

The pro-forma results at a glance for the nine-month period ended 30th September set out below have been prepared for illustrative purposes only, to show the revenue and results of the combined entities (Nigerian Breweries Plc and Consolidated Breweries Plc) as though the effective merger date had been 1<sup>st</sup> January 2014. While this provides some understanding of the combined entities track record, the pro-forma information does not purport to represent what Nigerian Breweries Plc's actual results would have been had the merger actually occurred on 1<sup>st</sup> January 2014, nor are they indicative of future results of operations.

For the nine-month period ended 30th September	2015	2014	Change
	N'000	N'000	%
Revenue	214,919	221,536	(2.99)
Results from operating activities	42,767	46,451	(7.93)
Net Profit after Tax	26,176	30,335	(13.71)

For the three-month period ended 30th September	2015	2014	Change
	N'000	N'000	%
Revenue	63,246	61,982	2.04
Results from operating activities	8,860	9,115	(2.80)
Net Profit after Tax	4,642	5,098	(8.94)

## 6. ANALYSIS OF EXPENSES BY NATURE

For the nine-month period ended 30th September

	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Raw materials and consumables	66,631,930	66,631,930	55,631,514
Advertising and sales expenses	16,807,616	16,807,616	16,900,915
Depreciation	19,702,178	19,646,352	18,875,052
Amortization	1,264,007	1,264,007	350,254
Employee benefits	28,951,414	28,951,414	23,783,697
Distribution	16,064,335	16,064,335	13,874,151
Repairs and Maintenance	10,401,380	10,401,380	8,722,198
Royalty and technical service fees	6,572,594	6,572,594	7,364,537
Others	6,114,326	6,114,326	4,417,501
<b>Total cost of sales, marketing &amp; distribution and administration expenses</b>	<b>172,509,780</b>	<b>172,453,954</b>	<b>149,919,819</b>

## 7. INTEREST INCOME , INTEREST EXPENSES AND OTHER NET FINANCE EXPENSES

Net finance income and expenses for the nine-month period ended 30th September 2015 amounted to ₦5.2billion (nine-month period ended 30th September 2014: ₦3.4billion) reflecting a higher debt level and average effective interest rate on outstanding debts.

### a. Finance income

Interest income for the nine-month period ended 30th September 2015 amounted to ₦530 million (nine-month period ended 30th September 2014: ₦634 million).

### b. Finance expense

Interest expenses for the nine-month period ended 30th September 2015 amounted to ₦4.1billion (nine-month ended 30th September 2014: ₦2.5billion expenses).

Other net finance expenses for the nine-month period ended 30<sup>th</sup> September 2015 amounted to ₦1.6 billion (nine-month ended 30<sup>th</sup> September 2014: ₦1.5 billion expenses). The interest expenses on the net pension liability for the period ended 30th September 2015 amounted to ₦1.07billion (nine-month period ended 30th September 2014: ₦675 million).

## 8. INCOME TAX EXPENSES

The Company's effective tax rate in respect of continuing operations for the nine-month period ended 30th September 2015 was 30 per cent (for the nine-month period ended 30th September 2014: 30 per cent).

## 9. PROPERTY PLANT AND EQUIPMENT

### Acquisitions

During the nine-month period ended 30th September 2015 the Company acquired, plant and equipment with a cost of N21.5 billion (nine-month period ended 30th September 2014: N22.2 billion).

### Capital commitments

As at 30th September 2015, the Company's capital expenditure commitments for property, plant and equipment amounted to N3.9 billion (30th September 2014: N6.4billion).

## 10. MERGER UPDATE

Nigerian Breweries Plc offered 4 of its ordinary shares for every 5 ordinary shares of Consolidated Breweries Plc, with the option for Consolidated Breweries Plc shareholders to elect for cash. The value of the newly issued shares and cash surrendered gave a total consideration of N65.1 billion which is the deemed purchase price. In total 366,396,456 new ordinary shares of the Company arose to be issued from the merger.

On the 29<sup>th</sup> January 2015, the Securities and Exchange Commission registered 366,396,456 new ordinary shares. The equity contribution reserve of ~~N~~60,565,334 was added to the share capital (~~N~~183,198) and share premium (N60,382,136) respectively. The cash election was paid to the shareholders via the Company's registrar on 30<sup>th</sup> January, 2015.

The former employees of the now dissolved Consolidated Breweries Plc held shares via an employee stock trust fund. The shares were presented as treasury stock and settled in cash by Nigerian Breweries as part of the cash consideration. The value of the treasury stock was netted against the cash consideration paid to the former Consolidated Breweries Plc employees, the impact on goodwill is presented below.

	N'000
Consideration for cash election	4,569,177
<u>Equity consideration, fair value of new ordinary shares to be issued</u>	<u>60,565,334</u>
<u>Total consideration</u>	<u>65,134,511</u>
Net assets acquired	(34,385,084)
Settlement of treasury stock	(221,839)
<b>Goodwill</b>	<b>30,527,588</b>



## 11. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Assets and liabilities classified as held for sale follow the commitment of the Company to a plan to sell certain assets and liabilities. Efforts to sell these assets and liabilities have commenced and are expected to be completed within one year from the date of classification as held for sale.

## 12. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### Financial risk management

The aspect of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31<sup>st</sup> December 2014.

## 13. EQUITY

### Reserves

The reserves consist of share premium, share-based payment reserves, equity contribution reserves and retained earnings. The main variance in comparison to prior year is driven by issue of shares as a result of the merger with Consolidated Breweries Plc

### Weighted average number of shares (basic and diluted)

For the nine-month period ended 30th September

In shares

	2015	2014
1st January		
Weighted average number of shares	7,562,704,432	7,562,704,432
Effect merger with Consolidated Breweries Plc	366,396,456	-
30th September		
<u>Weighted average number of shares</u>	<u>7,929,100,888</u>	<u>7,562,704,432</u>

### Dividends

At the Annual General Meeting held on May 13, 2015, the dividend of ₦37,205,233,648 (thirty seven billion, two hundred and five million, two hundred and thirty three thousand, six hundred and forty eight naira only), that is, ₦4.75 (four naira seventy-five kobo) per share was approved by shareholders. Payment was made on 14th May 2015 to shareholders whose names appear on the Company's Register of Members at the close of business on Wednesday, 4th of March, 2015. Having earlier paid an interim dividend of approximately ₦9.5 billion that is ₦1.25 per share which was declared in October 2014, the final dividend was ₦27,751,853,108 (twenty seven billion, seven hundred and fifty one million eight hundred and fifty three thousand and one hundred and eight naira only) that is ₦3.50 per share.

**14. NET INTEREST-BEARING DEBT POSITION**

	<b>30th September 2015 N'000</b>	<b>31st December 2014 N'000</b>
Non-current interest-bearing Liabilities	533,352	24,670,000
Current interest-bearing Liabilities	24,000,000	0
Bank overdrafts	27,685,422	230,380
Cash, cash equivalents and current Other investments	(11,213,853)	(5,699,079)
Net interest-bearing debt position	41,004,920	19,201,301

The change in interest-bearing debt position of ₦21.8billion is occasioned by increase in short-term financing during 2015.

Some of the long term loan facilities of the company are going to mature in Q3 of the following year as per the underlying agreements. The Company has commenced renewal process of these agreements.

**15. CONTINGENCIES**

No material updates in comparison with 2014 year-end reporting were identified that need to be reported.

**16. RELATED PARTY TRANSACTIONS**

The Company has related party relationships with its parent company, Heineken N.V. and Heineken group entities. These transactions are conducted on terms comparable to transactions with third parties. The related party transactions in the first nine-month period ended 30th September 2015 do in substance not deviate from the transactions as reflected in the financial statements as at and for the year 31<sup>st</sup> December 2014.

**17. SUBSEQUENT EVENTS**

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 30th September 2015 that have not been adequately provided for or disclosed in these condensed interim financial statements.