27August 2014

Namibia Breweries Ltd	Target Price (c)	1715
FY14 Results – Trading Statement	Current Price (c)	1643

Year End 30 June	2011	2012	2013	F2014	F2015	Recommendation	HOLD
Revenue (N$m)	1,797	2,160	2,383	2,703	2,730	NSX Code	NBS
Operating Profit	453	494	500	561	541	Market Cap (N$m)	3,393
HEPS (c)	139	149	178	208	202	Shares in Issue (m)	207
HEPU growth (%)	32.2	7.9	18.9	16.7	-2.6	Free float (%)	50
PE	15.9	15.2	9.2	10.6	10.6	P/B (x)	3.4
DPS (c)	49	54	62	68	72	52 week high	1643
DY	3.0	3.3	3.8	4.2	4.4	52 week low	1437
EV/EBITDA	7.6	6.6	5.6	5.3	5.4	Expected Total Return (%)	9.7

Source: BWH, IJG

Trading Statement

Namibia Breweriesreleased a trading statement today in which management has guided EPS to increase between 175% and 185%, coming of a low base after the N$188m impairment to its investmentin DHN Drinks (Pty) Ltd last year that resulted in a decrease in earnings per share in FY13.

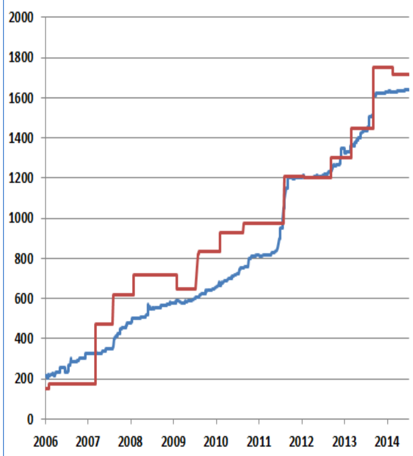
HEPS is expected to be down between 8% and 11%, with softer operating results contributing to the decrease in HEPS. In our view a fierce operating environment in SA has most likely resulted in increased losses from the JV.

The company expects Basic EPS of 97c to 101c (midpoint of approximately 99c), while HEPS is expected to be between 158c and 164c (midpoint of 161), missing our forecast of 208cps.

Target price and recommendation

Results are expected to be released on SENS on 10 September 2014 and in the press on 11 September 2014; as such we left our forecasts and target price unchanged and retain our HOLD recommendation for the meantime.

NBSclosing pricevs Target Price



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