

TRADING UPDATE FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015

The Company today issues the following update for the second quarter ended 30 September 2015.

The trading environment remains challenging mainly due to depressed aggregate demand. We report contrasting volume performances across our beverage categories for the second quarter.

Lager beer volume is 5% up on prior year for the quarter, mainly driven by the economy segment. Total volume is down 2% for the six months. Post the half year, further price adjustments were implemented to stimulate volume with particular focus on core lager which remains in decline.

Sparkling beverages are down 14% compared to the same quarter last year and down 15% for the six months. This is partly due to increased competition particularly from imported lower priced alternative offerings. The Maheu and dairy mix beverages recorded a growth of 4% for the quarter on the back of improved product supply and the expansion of flavours.

The sorghum beer category recorded a volume decline of 12% for both the quarter and the six months. There is a marked shift to Chibuku Super which benefited from the additional production capacity from the Fairbridge Brewery.

Revenue is down 6% for the quarter and down 8% for the six months, reflecting changes in the portfolio mix and the recent price moderations. In the short term, there will be pressure on operating margins as we adopt strategies to address affordability and stimulate volume through price reductions and streamlining value chain costs. The benefits of these initiatives should start filtering through in the medium term.

The half year results will be published on 12 November 2015.

The Group's previous financial statements and other company reports are available on the website www.delta.co.zw.

7 October 2015