

TRADING UPDATE FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

The Company issues the following update for the second quarter ended 30 September 2016.

The trading environment continues to be constrained by depressed consumer spending, limited access to cash and the generally weak macro-economic performance. Trading patterns remain inconsistent. The shortages of foreign currency resulted in reduced importation of consumer goods leading to an increase in demand for some of our product lines.

There is an emerging risk on water supply due to depleted dam and ground water sources. This is causing production disruptions.

Lager beer volume is 7% below prior year for the quarter and 11% down for the six months. Sparkling beverages volume is 3% up for the quarter and down 3% for the six months.

Sorghum beer volume increased by 4% for the quarter and 6% for the six months. The contribution of Chibuku Super remains strong. The delays in payments to foreign suppliers resulted in the late commissioning of the new plants at Masvingo and Kwekwe which are now expected to contribute to production before the end of the calendar year.

Revenue is 6% down for the quarter and down 8% for the six months, which is in line with the changes in product mix and pricing decisions.

The half year results are expected to be published on 10 November 2016.

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

17 October 2016

