



AFRICAN DISTILLERS LIMITED

TRADING UPDATE FOR THREE MONTHS ENDED 30 SEPTEMBER 2019

Trading Environment

Macro-economic conditions continue to be challenging, characterised by reduced consumer disposable incomes, thereby compromising product demand. Foreign currency shortages persisted in the period, impacting on the Company's ability to fully supply the market. The exchange rate movements and inflation resulted in high costs which in turn exerted pressure on selling prices.

Trading summary

Total volumes declined 50% on prior year. Ready to Drink (RTDs) at minus 63%, declined the most due to significant price increases necessitated by the high foreign currency input component.

Wines and Spirits decline reflects the general market conditions where consumer spend is under immense pressure. While growth was registered in white spirits as a result of product innovation, it was not enough to offset overall decline in the category.

In the outlook period, the company will focus on product and pack innovation as well as market place availability as it seeks to protect market share and shareholder value.

Delay in publication of quarterly financial results

The publication of the first quarter financial report has been deferred pending clarifications and guidelines from the Public Accountants and Auditors Board (PAAB) on the implementation of International Accounting Standard (IAS) 29: Financial Reporting in hyperinflationary economies.

L. Mutamuko

Company Secretary

