



**THE**

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**DAR ES SALAAM  
STOCK EXCHANGE**

**LISTED COMPANIES**

*Handbook*

**September 2000**

## **Dar es Salaam Stock Exchange Limited**

**Twiga House 4th Floor, Samora Avenue**

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### **Contact Person:**

**Dr. Hamisi S. Kibola**

**Chief Executive Officer**

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### **LICENSED DEALING MEMBERS OF THE DAR ES SALAAM STOCK EXCHANGE (DSE)**

- |   |  |
|---|--|
| 1. Tanzania Securities Limited<br>P.O. Box 9821<br>Life House - 6th Floor<br>Ohio/Sokoine Drive<br>Dar es Salaam<br>Tel: 2112807<br>Fax: 2112809<br>E-mail: tsl@muchs.ac.tz   | 4. Orbit Securities Co. Limited<br>P.O. Box 31831<br>Twiga Hse. 3rd Floor<br>Samora Av.<br>Dar es Salaam<br>Tel: 2111758<br>Telefax: 2113067<br>E-mail: orbit-sec@raha.com   |
| 2. Solomon & Co. Limited<br>P.O. Box 75777<br>Extelecoms Hse, Samora Av.<br>Dar es Salaam<br>Tel: 2112874/2124495<br>Fax: 2131969<br>E-mail: solomon@intafrika.com            | 5. Vertex International Securities<br>P.O. Box 13412<br>Annex Building<br>Zambia High Commission<br>Sokoine Drive/Ohio Str.<br>Dar es Salaam<br>Tel: 2110392/2116382<br>Fax: 2110387<br>E-mail: vertex@intafrika.com |
| 3. Rasilimali Limited<br>P.O. Box 9373<br>NBC Investment Hse.<br>Samora Av.<br>Dar es Salaam<br>Tel: 2111711/2111782<br>Fax: 2113438<br>E-mail: rasilimali@africaonline.co.tz | 6. Core Securities Ltd.<br>P.O. Box 76800<br>Twiga Hse. Grd. Floor<br>Samora Av.<br>Dar es Salaam<br>Tel: 2123103/2125147<br>Fax: 2182521/2122562<br>E-mail: core@twiga.com  |

## TABLE OF CONTENTS

<b>ABOUT THE HANDBOOK</b> .....	<b>2</b>
Contents.....	2
Sources of Information.....	2
Presentation Format .....	3
Definitions and Explanations .....	3
<b>TANZANIA BREWERIES LIMITED (TBL)</b> .....	<b>5</b>
Company Information.....	5
Capital Structure.....	6
Dividend (Div)/Bonus (B)/Rights Issue (RI).....	6
Extracts from the Chairman's Statement .....	6
Tanzania Breweries Limited (TBL) .....	7
Group Income Statements.....	7
Balance Sheet.....	8
Financial Ratios.....	8
<b>TANZANIA TEA PACKERS LIMITED (TATEPA)</b> .....	<b>9</b>
Company Information.....	9
Capital Structure.....	10
Dividend (Div)/Bonus (B)/Rights Issue (RI) .....	10
Extracts from the Chairman's Statement .....	10
Income Statements.....	11
Balance Sheets .....	12
Financial Ratios.....	12
<b>TOL LIMITED (TOL)</b> .....	<b>13</b>
Company Information.....	13
Capital Structure.....	14
Income Statements.....	14
Balance Sheets .....	15
Financial Ratios.....	15
<b>TANZANIA CIGARETTE COMPANY LIMITED (TCC)</b> .....	<b>16</b>
Company Information.....	16
Capital Structure.....	16
Dividend (Div)/Bonus (B)/Rights Issue (RI) .....	17
Extracts from the Chairman's Statement .....	17
Income Statements.....	18
Balance Sheets .....	19
Financial Ratios.....	19

## **ABOUT THE HANDBOOK**

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### **Introduction**

The basis upon which investors make decisions on the stock market is the amount and quality of information available at any point in time. The efficiency of a stock market is generally measured by the extent to which stock prices fully reflect the available information. With the objective of making information easily available to all investors, the Dar es Salaam Stock Exchange (DSE) has put together this *DSE Listed Company Handbook* with the hope that it will be a useful source of very *basic* information on quoted companies.

The *DSE Listed Company Handbook* contains factual and useful information about companies quoted on the Dar es Salaam Stock Exchange. The handbook is a summary version of the disclosure documents presented to the DSE by quoted companies. This information is mainly drawn from the financial statements and offer documents presented by the companies.

The DSE is aware that prices change all the time because investors have different views about the value of securities given the information that is publicly available. The changing prices provide opportunities for gains and losses in the market. It is for this reason that the *DSE Listed Company Handbook* is only a collection of financial statements into one document with information presented in almost the same format as presented by the companies with very little interpretation on the information. The information is basic and the Handbook is only a convenient way to access the financial statements at a glance. It is therefore hoped that financial service intermediaries, who include Licensed Dealing Members of the DSE and Investment Advisors, will assist their clients on the interpretation of the information and numbers contained in the Handbook.

### **Contents**

The handbook contains background corporate information on listed companies. This include the business background of the companies, lists of boards of directors, important dates like; year of incorporation, listing date, financial year - end, dividend declaration and payment dates, and the dates of the Annual General Meetings. The bulk of the Handbook consists of the financial statements as presented by the companies themselves. Extracts of the chairmen's Statement, where available are also included as this is where the future plans or vision of a company is articulated. For quick reference and comparison purposes summaries of financial ratios are also presented.

### **Sources of information**

Most of the information contained in the *DSE Listed Company Handbook*, is provided by the quoted companies themselves. This is mainly through published financial statements, interim reports and periodic releases such as dividend announcements. To safeguard the accuracy of the information, every update is

sent to the companies concerned for verification of the information before the handbook is available for distribution.

### **Presentation format**

The information is, as much as possible, presented in the same format adopted in the respective financial statements.

### **Definitions and explanations**

#### ***Market Capitalization***

Market capitalization of a company is the number of shares issued times the share price. It is a general indicator of the size of a company.

#### ***Asset Value Per Share***

This refers to the net assets attributable to ordinary shareholders divide by the number of shares in issue. The asset value is often compared with market value to see the extent to which the assets back the current price.

#### ***Earnings Per Share (EPS)***

Earnings per share are computed as the net profits attributable to ordinary shareholders divided by the number of shares. EPS is adjusted for subdivision or consolidation of shares.

#### ***Dividend Per Share***

Total dividend declared divided by number of shares in issue. It is adjusted for subdivision or consolidation of shares.

#### ***Return on Capital Employed (ROCE)***

This is the most important measure of a company's profitability. It is calculated by taking a company's profit before interest and tax as a percentage of Capital Employed. Capital Employed is the fixed assets plus current assets net of current liabilities.

#### ***Return on Equity***

Return on equity is computed as pretax profits as a percentage of ordinary shareholders equity. It illustrates the overall result of the responses to the investment and financial decisions of a company. While a high return on shareholders funds would be the objective of management, this must be attained within acceptable risk parameters.

#### ***Dividend Yield***

Most recent annual gross dividend as a percentage of the current market value. The dividend yield indicates the current rate of return being received in the form of dividends.

***Dividend cover***

Dividend cover is calculated as profits available to pay dividend, divided by the total dividend payment for the year. The ratio gives an indication of the safeness of the dividend payment.

***Price Earnings Ratio (pe)***

It is computed by dividing the last reported earnings per share by the closing price on a particular date. The ratio provides number of years earnings represented by the current price. A low pe ratio could be an indication of under-valuation against a sector or market average.

***Price to Book Value***

Closing price divided by the book value. Provides a ratio that indicates the market premium or discount on book value.

***Trustee Status***

A company attains *trustee status* when it has, among others, reported profits for three consecutive years and the total profits earned during the three years is not less than 15% of the total value of the company's paid up capital. The Trustee Investment Act 1967, regulates the types of investments into which Trust Funds can invest. An investment with *trustee status* is generally considered safe and trusts funds can invest in them.

## TANZANIA BREWERIES LIMITED (TBL)

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### COMPANY INFORMATION

DATE OF INCORPORATION:	1960
LISTING DATE:	1998, September
CONTROL:	FOREIGN
FOREIGN HOLDING:	75%
NATURE OF BUSINESS:	Brewers. Principal activities of TBL are production, marketing, distribution and sale of malt beer in Tanzania. The group operates breweries in Dar es Salaam, Arusha and Mwanza; produces malted barley at a plant at Moshi; produces and distributes a variety of beer brands under license from (SAB) South African Breweries).
COMPANY SECRETARY:	Mr. Stephen F.A. Kilindo
REGISTERED OFFICE:	Uhuru Street, P.O. Box 9013, Dar es Salaam, Tanzania
REGISTRARS:	Merchantile Registrars 7th Floor, 11 Diagonal Street Johannesburg, South Africa).
DIRECTORS:	Ambassador P.L. Bomani (Chairman), A.C. Parker, J.A. Kirby, Prof. J. Doriye, P.J. Ngumbullu, K.S. Massaba, M. Hooper, A.B. Kilewo, G.C. Lowper-Johnson, R. Mollel, D. Niemandt
AUDITORS:	PricewaterhouseCoopers
LEGAL ADVISORS:	Law Associates Advocates
BANKERS:	Stanbic Bank (Tanzania) Limited, Standard Chartered Bank, NBC, CRDB, Citibank
TRUSTEE STATUS:	Yes
MAIN SUBSIDIARIES:	Darbren 60%, Tanzania Distilleries (100%), Tanzania Farms Limited (100%), Tanzania Maltings Company Limited (100%), Mwanza Traditional Beer Brewery Limited (75%)

TBL cont'd

**SIGNIFICANT SHAREHOLDING:**

South African Breweries (66.21%), Government of the United Republic of Tanzania (16.15%), Tanzanian Public (8.85%), IFC (8.79%)

FINANCIAL YEAR END: 31st March

**CAPITAL STRUCTURE:**

Authorised, Issued and fully paid	Tshs
235,942,770 Ordinary shares of Tshs 100 each	2,359,427,700

**DIVIDEND (DIV)/BONUS (B)/RIGHTS ISSUE (RI)**

YEAR	STATUS	RATE	DECLARED	BOOKS CLOSE	PAYMENT DATE
1997	Div Final	Tshs. 58.4	-	-	-
1998	Div Interim	Tshs. 22	09.10.98		
	Final	Tshs. 51.7	30.03.99	19.03.99	26.04.99
1999	Div Interim	Tshs. 38.6	30.09.99	06.12.99	13.12.99
	Final	Tshs. 52.1	31.03.00	22.06.00	13.07.00

**EXTRACTS FROM THE CHAIRMAN'S STATEMENT***March 2000***Group Results**

It is my pleasure to report on a period of sound progress for the Group. I am delighted to report that the group delivered a strong underlying profit performance in spite of being faced by difficult trading conditions during the period.

Although volume growth has generally been lower than expected as a result of reduced consumer spending, improved efficiencies in all areas of the business resulted in a substantial increase in attributable earnings.

Attributable earnings to ordinary shareholders for the fifteen month period was Tsh 30.6 billion reflecting an increase of Tshs 6.6 billion or 28% on 1998 earnings. A large portion of this accrued from the sale of 25% in Tanzania Distilleries to Distillers Corporation of South Africa, a company listed on the Johannesburg Stock Exchange.

The new partnership is aimed at improving the range of products in the market and will also enable Tanzania Distilleries to access new technology and expertise. The public can look forward to a wider choice of spirituous liquors and wines in the future.



TBL cont'd

**Dividends**

As a result of the group's strong performance the board is recommending that a final dividend of Tsh 52.1 per share be paid. Added to the interim dividend of Tshs 38.6 per share paid in December, this will bring the total dividend for the 15 month period to Tsh 90.7 (1998 Tsh 73.7). The total dividend paid will amount to Tsh 21.4 billion or 70% of the profit attributable to ordinary shareholders. The final dividend will be paid to shareholders registered by 21st June, 2000.

**Economy**

Despite the fact that the country's economic performance has been subdued and partly because of the additional tax burden imposed by a higher excise level from July 1999, the group was still able to contribute substantially to Government revenue, and the Group is by far the largest contributor to Government coffers within Tanzania.

In the longer term my expectations of the country's economic performance are positive and the Group will continue it's ongoing investment. During 2000 the board has approved an additional Tsh 12 billion to continue with quality and capacity enhancements. The recent dispute between the Government and Tanzania Breweries in connection with the farms has been resolved.

In addition, we are entering into a joint venture to enhance barley production. This should lead to increased utilisation of our Maltings Plant in Moshi.

**TANZANIA BREWERIES LIMITED (TBL)****GROUP INCOME STATEMENTS**

	15 months ended	March 31, 2000			
	March 31, 2000 2000	1998	1997	1996	1995
	Tsh M	Tsh M	Tsh M	Tsh M	Tsh M
<b>Turnover</b>	144,795	123,538	119,174	98,043	59,777
Cost of sales	(83,952)	(80,603)	(77,720)	(65,654)	(38,476)
<b>Gross profit</b>	60,843	42,935	41,454	32,389	21,301
Selling and distribution costs	(7,1)	(6,069)	(5,285)	(5,507)	(2,315)
General and administrative costs	(23,1)	(13,337)	(16,817)	(12,055)	(9,907)
<b>Trading profit</b>	30,782	23,529	19,352	14,827	9,079
Other income	2,868	2,413	834	940	301
Net financing costs	(2,1)	(1,657)	(1,162)	(285)	(959)
<b>Profit before taxation</b>	31,554	24,285	19,024	15,482	11,003
Taxation*	(675)	(297)	(610)	(1,550)	-
<b>Profit after taxation</b>	30,879	23,988	18,414	14,027	11,003
<b>Share of earnings of associates</b>	-	-	-	-	282
Attributable to outside share holders	(1)	16	(401)	(443)	-
<b>Profit attributable to ordinary shareholders</b>	30,610	24,004	18,013	13,584	11,285
Ordinary dividend	(21,407)	(17,400)	(12,609)	(8,150)	(4,400)
<b>Retained profit for the year</b>	9,203	6,604	5,404	5,434	6,885
<b>Earnings per ordinary share (Tsh)</b>	129.7	104.1	83.4	62.9	52.2
<b>Dividend per ordinary share (Tsh)</b>	90.7	73.7	58.4	38	20

\* Tanzania Breweries Limited is under the TIC (Tanzania Investment Centre) tax holiday until 31/7/2001

TBL cont'd

**BALANCE SHEET**

As at 31, December

	March, 2000	1998	1997	1996	1995
	Tsh M	Tsh M	Tsh M	Tsh M	Tsh M
<b>Fixed assets</b>					
Operating assets	64,184	60,388	45,052	35,881	28,728
Called up capital not paid	-	-	-	-	428
Investments and loans	-	-	-	98	555
	<b>64,184</b>	<b>60,388</b>	<b>45,052</b>	<b>35,979</b>	<b>29,711</b>
<b>Current assets</b>					
Stocks	21,661	18,848	17,095	11,961	6,916
Debtors	8,472	6,097	4,714	3,736	2,103
Bank and cash	4,253	6,593	1,473	4,659	7,746
	<b>34,386</b>	<b>31,538</b>	<b>23,282</b>	<b>20,356</b>	<b>16,765</b>
<b>Total assets</b>	<b>98,570</b>	<b>91,926</b>	<b>68,334</b>	<b>56,335</b>	<b>46,476</b>
<b>Current liabilities</b>					
Interest free liabilities	11,108	13,353	12,464	10,578	12,466
Dividend payable	12,669	13,247	7,445	5,008	4,400
Short term financing	7,935	7,681	7,989	2,089	-
	<b>31,712</b>	<b>34,281</b>	<b>27,898</b>	<b>17,675</b>	<b>16,866</b>
Net Current assets/(liabilities)	2,674	(2,743)	(4,616)	2,681	(101)
<b>Net assets</b>	<b>66,858</b>	<b>57,645</b>	<b>40,436</b>	<b>38,660</b>	<b>29,610</b>
<b>Shareholder's funds</b>					
Share capital	23,594	23,594	21,604	56	56
Share premium	9,986	9,986	-	21,548	21,548
Retained profits	32,139	22,863	16,313	13,861	8,006
<b>Total shareholders' funds</b>	<b>65,719</b>	<b>56,443</b>	<b>37,917</b>	<b>35,465</b>	<b>29,610</b>
Outside shareholders' interest in subsidiary	1,139	627	702	1,249	-
Long and medium term financing	-	575	1,817	1,946	-
<b>Total capital employed</b>	<b>66,858</b>	<b>57,645</b>	<b>40,436</b>	<b>38,660</b>	<b>29,610</b>

**FINANCIAL RATIOS**15 m. ended  
March 31

For the years ended 31 December

	2000	1998	1997	1996	1995
Earnings per share (Tshs)	129.7	104.1	83.4	62.9	52.2
Dividend per share (Tshs)	90.7	73.7	58.4	38	20
Closing Price (Tshs)	550	660	-	-	-
Price Earnings Ratio	4.2	6.3	-	-	-
Dividend Yield (%)	16.3	11.2	-	-	-
Net Asset Value/Share (Tshs)	283.4	241.9	187.2	179.0	137.1
Price -to- Book Value	1.9	2.7	-	-	-
Return on Capital Employed (%)	45.8	41.6	44.6	35.1	36.1
Issued Shares	235,942,770	235,942,770	216,040,275	5,567,274	5,567,274
Market Capitalization (Tshs 000)	129,800,000	155,700,000	-	-	-

## TANZANIA TEA PACKERS LIMITED (TATEPA)

### COMPANY INFORMATION

DATE OF INCORPORATION:	1994
LISTING DATE:	1999, December
CONTROL:	Tanzania Venture Capital Fund Limited (Local)
HOLDING:	37.74%
NATURE OF BUSINESS:	Tea and Coffee. Principal activities of TATEPA are the blending, packaging, distribution and sale of tea and coffee products in Tanzania. It operates from premises in Mafinga and Dar es Salaam; and distributes through 9 agents through out the country.
COMPANY SECRETARY:	G.K. Asumwisye
REGISTERED OFFICE:	Plot 7/7A, Nyerere Road, P.O. Box 1344, Dar es Salaam, Tanzania
REGISTRARS:	George Williamson Kenya Limited, Williamson House, 4th Ngong Avenue, P.O. Box 42281, Nairobi, Kenya; Tel. No. 254 2 710740
DIRECTORS:	J.J. Mungai (Chairman), G.C. Theobald (Managing Director), G.T. Williams, G.P. Theobald, D. Henderson, D.A. Pallangyo, P.D. Rowland, C. Barkess.
AUDITORS:	KPMG Peat Marwick
LEGAL ADVISORS:	Sinare & Shiyo Advocates
BANKERS:	Standard Chartered Bank Tanzania Limited
TRUSTEE STATUS:	Yes
MAIN SUBSIDIARIES:	No
SIGNIFICANT SHAREHOLDING:	Tanzania Venture Capital Fund Limited (37.53%), Tanganyika Wattle Company Limited (26.28%), Hon. J.J. Mungai (7.97%), Mr. George Theobald (7.97%), G.P. Theobald (1.89%), Thompson Lloyd and Ewart (3.19%), Public (15.17)

TATEPA cont'd

FINANCIAL YEAR END: 31st December

**CAPITAL STRUCTURE:**

	Tshs
<b>Authorised:</b> 20,000,000 Ordinary shares of Tshs 25 each	500,000,000
<b>Issued and fully paid:</b> 10,598,000 Ordinary shares of Tshs 25 each	264,950,000

**DIVIDEND (DIV)/BONUS (B)/RIGHTS ISSUE (RI)**

YEAR	STATUS	RATE	DECLARED	BOOKS CLOSE	PAYMENT DATE
1998	Div Final	Tshs. 15.25	18.02.99	08.03.99	25.05.99
1999	Div Interim	Tshs. 15.00	20.09.99	20.12.99	28.12.99
	Div Final	Tshs. 25.00	23.05.00	12.05.00	29.05.00
2000	Div Interim	Tshs. 17.00	26.09.00	17.11.00	08.12.00

**EXTRACTS FROM THE CHAIRMAN'S STATEMENT***February 2000*

History was made by TATEPA during 1999 when we became the first private company to be quoted on the Dar es Salaam Stock Exchange (DSE). Exceptionally, in this market, our public offer was oversubscribed by 15%.

TATEPA now has 1,968 shareholders from all the 25 Regions of Tanzania, and it gives me great pleasure on behalf of the Board of Directors to welcome you all into the company and to invite you to TATEPA's Sixth Annual General Meeting on 23rd May 2000 in Dar es Salaam.

As we forecast in the Public Offer Prospectus, we ended 1999 on a high:

Sales hit 1,477,052 kgs: a growth of 14%; Market share grew from 50% to 60%, further securing Chai Bora's brand leadership; Profit after tax Tzs 709m (1998: Tzs 540m), up by 38%; Earnings per share Tzs 80.5 (1998: Tzs 60.8), up by 32%.

As a result of TATEPA's strong business performance, the Board is recommending a final dividend of Tzs 25 per share. Added to the interim dividend of Tzs 15 per share paid in December 1999, this brings the total dividend for 1999 to Tzs 40 per share, as compared to Tzs 16.25 per share in 1998. Following shareholders approval, the dividend will be paid on 29th May 2000 to all shareholders on the Register at the close of business on 12th May 2000.

I would like to commend the management and all employees for their efforts in achieving TATEPA's growth. I would also like to take this opportunity to put on record TATEPA's gratitude to The Tanzania Tea Board and The Government of Tanzania for their support. We now need their continued efforts in combating

**TANZANIA TEA PACKERS LIMITED (TATEPA)****COMPANY INFORMATION**

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REGISTERED OFFICE:	Plot 7/7A, Nyerere Road, P.O. Box 1344, Dar es Salaam, Tanzania
REGISTRARS:	George Williamson Kenya Limited, Williamson House, 4th Ngong Avenue, P.O. Box 42281, Nairobi, Kenya; Tel. No. 254 2 710740
DIRECTORS:	J.J. Mungai (Chairman), G.C. Theobald (Managing Director), G.T. Williams, G.P. Theobald, D. Henderson, D.A. Pallangyo, P.D. Rowland, C. Barkess.
AUDITORS:	KPMG Peat Marwick
LEGAL ADVISORS:	Sinare & Shiyo Advocates
BANKERS:	Standard Chartered Bank Tanzania Limited
TRUSTEE STATUS:	Yes
MAIN SUBSIDIARIES:	No
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TATEPA cont'd

FINANCIAL YEAR END: 31st December

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**EXTRACTS FROM THE CHAIRMAN'S STATEMENT***February 2000*

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As we forecast in the Public Offer Prospectus, we ended 1999 on a high:

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TATEPA cont'd

smuggled tea. In 1999 illegal imports grabbed about one third of the domestic market, stealing jobs and tax revenue, and affecting quality. Eliminating such market corruption would have a strongly positive effect on the tea industry generally, and would double production and employment in TATEPA over the next three years.

I wish to assure shareholders that the domestic market potential is very bright. Our current domestic consumption of 3m kg equates to per capital consumption of just 10 grams whilst in Kenya each consumer drinks 40 grams of tea per year, on a similar population as Tanzania. With the determination of the government to achieve higher GDP growth of more than 7% in order to combat poverty, we can expect dynamic growth for the domestic tea market.

The Board has approved an expansion of TATEPA's distribution network to more remote areas of Tanzania. In addition there has been approval for new products, including the 2.5 grams Nguvu Blend 10 shilling sachet, designed to give low income consumers a good quality tea at affordable prices - a first for the tea market in this country.

## TANZANIA TEA PACKERS LIMITED (TATEPA)

## INCOME STATEMENTS

	6 months June 2000 Tsh (000)	6 months June 99 Tsh (000)	1999 31st Dec Tsh (000)	1998 31st Dec Tsh (000)
Turnover	1,836,661	1,642,477	3,544,088	3,201,635
Cost of sales	856,087	676,960	1,463,801	1,658,404
<b>Gross profit</b>	<b>980,574</b>	<b>965,517</b>	<b>2,080,287</b>	<b>1,543,231</b>
Operating expenses				
Manufacturing	211,322	158,290	378,285	-
Marketing and distribution costs	398,631	364,685	793,645	579,057
Administration	81,034	71,248	167,043	141,864
Financial	409	24,628	44,725	70,209
<b>Operating profit</b>	<b>289,178</b>	<b>346,666</b>	<b>696,589</b>	<b>511,574</b>
Other income	14,212	8,253	12,250	2,053
<b>Profit before taxation</b>	<b>303,390</b>	<b>354,919</b>	<b>708,839</b>	<b>513,627</b>
Taxation*	-	-	-	-
<b>Profit after taxation</b>	<b>303,390</b>	<b>354,919</b>	<b>708,839</b>	<b>513,627</b>
Ordinary dividend	180,166	158,970	423,920	137,280
<b>Retained profit for the year</b>	<b>123,224</b>	<b>354,919</b>	<b>284,919</b>	<b>376,347</b>
<b>Earnings per ordinary share (Tsh)</b>	<b>28.63</b>	<b>33.49</b>	<b>80.49</b>	<b>60.80</b>
<b>Dividend per ordinary share (Tsh)</b>	<b>17.00</b>	<b>15.00</b>	<b>40.00</b>	<b>16.25</b>

\* Tanzania Tea Packers Limited is under TIC (Tanzania Investment Promotion Centre) tax holiday until June 2001

TCC cont'd

Prior to the Offer, JT, TCC's majority shareholder and technical partner, purchased 24 million shares from Government at Tshs. 555 per share. This transaction, which was concluded on 1 September 2000, provides evidence of JT's support of the Company and Tanzania as an investment destination and will no doubt provide investors with the comfort that TCC is expected to be an attractive investment opportunity.

I wish to convey my sincere thanks to the Government of the United Republic of Tanzania, through its various organs and officials, whose commitment towards privatisation has enabled this unique opportunity for Citizens of Tanzania to share in the future of a world-class cigarette manufacturer.

On behalf of the Board I wish to express our confidence that the Offer will be an outstanding success and look forward to saying "Karibu" to you as a shareholder.

## TANZANIA CIGARETTE COMPANY LIMITED (TCC)

## INCOME STATEMENTS

For the years ended 31 December

	2000 Forecast	1999	1998	1997	1996
	Tsh M	Tsh M	Tsh M	Tsh M	Tsh M
Gross turnover	87,577	77,597	72,712	71,183	61,670
Excise duty and VAT	-	(35,732)	(35,038)	(33,005)	(29,873)
Net turnover	-	41,865	37,674	38,177	31,797
Cost of sales	-	(12,004)	13,736	14,369	10,414
Gross profit	-	29,861	23,937	23,808	21,383
Other income	-	487	210	-	172
Operating expenses					
Production	-	(1,321)	3,515	5,406	3,980
Marketing and distribution	-	(5,998)	3,995	3,494	3,651
Administration	-	(8,098)	6,548	6,125	6,185
Total operating expenses	-	(15,416)	14,057	15,024	13,816
Operating profit	15,305	14,932	10,090	8,785	7,738
Net financing income/(costs)	-	353	(50,051)	38	(7)
Profit before taxation	15,031	15,285	10,040	8,823	7,731
Taxation	-	-	(1,105)	(2,775)	(2,770)
Profit after taxation	15,031	15,285	8,935	6,048	4,961
Dividends proposed/payable	9,700	9,000	6,000	3,000	1,400
Net income for the year	5,331	6,285	2,935	3,048	3,561
Appropriate of profits					
Transfer from non-distributable reserve on disposal of revalued assets	-	82	333	751	1,033
Transfer to retained earnings	-	(6,367)	(3,268)	(3,799)	(4,594)
Retained profit at year end	-	-	-	-	-



TCC cont'd

**BALANCE SHEETS**

As at 31 December

	1999	1998	1997	1996
	Tsh M	Tsh M	Tsh M	Tsh M
<b>Fixed assets</b>	21,330	23,059	22,974	18,028
<b>Investments</b>	-	-	-	788
	21,330	23,059	22,974	18,816
<b>Current assets</b>				
Stocks	13,373	12,526	11,946	12,205
Debtors	2,820	3,884	1,472	794
Bank and cash	20,622	7,371	8,065	7,298
<b>Total current assets</b>	36,814	23,781	21,483	20,297
<b>Current liabilities</b>				
Bank overdrafts and loans	-	-	1,303	-
Creditors	10,066	6,897	9,050	9,591
Taxation	19	19	120	190
Dividends payable	10,000	8,150	5,150	3,550
<b>Total Current liabilities</b>	20,085	15,067	15,622	13,331
<b>Net current assets</b>	16,729	8,714	5,861	6,966
<b>Net assets</b>	38,059	31,773	28,835	25,782
<b>Financed by</b>				
Share capital	2,000	2,000	2,000	2,000
Revaluation reserve	6,276	6,358	6,691	7,442
Employees welfare fund	-	1,109	1,106	1,100
Retained earnings	29,783	22,307	19,038	15,239
<b>Total shareholders' funds</b>	38,059	31,773	28,835	25,782

**FINANCIAL RATIOS**

Forecast IPO

	2000	1999	1998	1997	1996
Earnings per share (Tshs) *	150.30	145.00	84.70	56.80	47.40
Dividend per share (Tshs)	97.00	90.00	60.00	30.00	14.00
Closing Price (Tshs)	410.00	-	-	-	-
Price Earnings Ratio (times)	2.70	2.80	-	-	-
Dividend Yield (%)	23.70	22.00	-	-	-
Net Asset Value/Share (Tshs)	434.00	380.00	317.70	288.30	257.80
Price -to- Book Value (times)	0.90	1.10	-	-	-
Return on Equity (%)	-	40.16	28.10	20.90	19.20
Issued Shares	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Market Capitalisation (Tshs million)	41,000,000	-	-	-	-

\* The EPS is adjusted in the proforma statements in the prospectus to reflect the impact of the revised Technical Knowhow Services Agreement that became effective on 1 January 2000.

-FCC cont'd

**BALANCE SHEETS**  
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	1999	1998	1997	1996
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## TANZANIA CIGARETTE COMPANY LIMITED (TCC)

### COMPANY INFORMATION

DATE OF INCORPORATION:	1961
LISTED ON DSE:	2000, November
CONTROL:	FOREIGN
FOREIGN HOLDING:	75%
NATURE OF BUSINESS:	Manufacture, marketing and distribution of cigarettes. TCC cigarette brands include Sportsman, Sweet Menthol, Embassy, Aspen, Club and Winston.
COMPANY SECRETARY:	Vintan Mbiro
REGISTERED OFFICE:	Tanzania Cigarette Company Limited, Plot No. 20, Nyerere Road, Dar es Salaam, Tanzania.
REGISTRARS:	Corpserve Private Limited, P.O. Box 2208, Harare, Zimbabwe.
DIRECTORS:	N.Gotecha (Chairman and Chief Executive), B.Palela, F.Vanneste, M.Kejo, G.Mgonja, J. Mrema, F. Stettler
AUDITORS:	Delloittes Touche
LEGAL ADVISORS:	Maajar, Rwechungura, Kameja & Nguluma
BANKERS:	CitiBank Tanzania Limited
TRUSTEE STATUS:	Yes
SIGNIFICANT SHAREHOLDING:	JT (Japan Tobacco Inc.) 75%, Government of the United Republic of Tanzania (5.5%), Public (19.5%).
FINANCIAL YEAR END:	31st December

### CAPITAL STRUCTURE:

	Tshs
<b>Authorised:</b>	
125,000,000 Ordinary shares of Tshs 20 each	2,500,000,000
<b>Issued and fully paid:</b>	
100,000,000 Ordinary shares of Tshs 20 each	2,000,000,000

TCC cont'd

**BALANCE SHEETS**

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## **WHAT THE DAR ES SALAAM STOCK EXCHANGE CAN DO FOR YOUR COMPANY**

The DSE will provide a facility for quoted companies to raise long-term capital from the investing public by issuing shares and bonds. Through the Exchange, a company can go to the public at large and invite the public to lend it cash (by buying bonds) or own a part of the company (by buying shares). In this way, the company can tap the savings of every person in the country in order to obtain the long-term capital that may not be easily available from their own resources or from bankers.

Companies which raise long-term capital by issuing shares or bonds are able to expand their services, replace equipment and develop new products. Above all, listing on the DSE will raise the profile of your company and its products.

### **FOR YOU AS AN INVESTOR**

The DSE will provide you a market place where you can buy and sell shares or bonds. It will give you an opportunity to invest in a company; and participate in its possible fortunes. The Exchange will also provide better liquidity for the shares or bonds due to the large market base which will be created.

The other benefits of buying shares include;

- A possible hedge against inflation.
- Share certificates which will be accepted as collateral by banks.
- Dividend income - which is the company's distribution of profits to share holders.
- Possible profit arising from capital appreciation.
- Diversification by investing in different companies listed on the DSE.
- Liquidity - quick possibility of selling your shares when you need cash (applicable only to listed companies).
- Safe custody of your share certificates in the DSE Central Depository System.

For bonds an investor will gain;

- Periodical interest income and possible profits arising from capital appreciation.

### ***CONSIDER INVESTING AT THE DSE NOW.***

The Chief Executive Officer  
Dar es Salaam Stock Exchange  
P.O. Box 70081,  
Tel: 022 2128522, 2135779  
Fax: 022 2133849  
E-mail: [dse@cats-net.com](mailto:dse@cats-net.com)  
See on the website: <http://www.darstock.com>