

PRIME MINISTERS

TANZANIA INVESTMENT CENTRE

PART

ENDS

FILE NO. QINS

FILE TITLE

FILE NUMBER

PR. 10

PART

FILE NUMBER

TIC/

PR. 10/041627

CONFIDENTIAL

041627

INDEX HEADINGS

Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M
DIF	F-1	BB							
Ndabawa	F-1	BB							
DAF	F-1	BB							
DAF	F-1	BB							
Ndabawa	F-1	BB							
H. E. M.	F-1	BB							

STERAK BEVERAGES

LTD

1.0

**EXD**

✓ u

The approved project has fulfilled the investment requirements, which are: -

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 0.536 m
- (b) Legal entity has been incorporated under certificate No. 62080 of 17/09/2007

Based on the above, the letter of approval is hereby submitted for signature in order for the project to comply with the requirements of Section 17 of Tanzania Investment Act, 1997.

Submitted for signature.

N. A. Senzia  
**DIF**  
16<sup>th</sup> January 2009

2.0

**EXD**

In response to the TIC letter of registration dated 16<sup>th</sup> Jan 2009

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from International Commercial Bank
- (c) Lease agreement in favour of land

With the above submission EXD is requested to sign Certificate of Incentives No. 041627 herein attached.

28/08/09

  
DIF

MINUTE

PAGE NO. 1

# MINUTE SHEET

DOKEZO

No.

14

DCA

Please advise. You have max. of two days  
27/10/21

15

LAM

Please provide your opinion today.



01/11/2021

16,

DCA

As long as the current project valuation stands at 2.5 m USD and necessitates the additional amount of 0.5 m USD to reach 60%, bearing in mind the importance of investment in our country for creation of employment and contribution of GDP we may waive the conditions so that CONSENT is granted to the investor for national interest.



07/11/2021

ExD

17.

Having read the file which include valuation report, PVV report, Bank consent letter and the details in trust in the Certificate of Incentive, I advise as follow  
i) That, the investor has invested in the land the value of USD 2,516,000 which is 50.32% out the  
ii) The investor will make equity contribution to the machine supplier 1/3 amounting USD 3,341,937, Hence will make the total of USD 5,857,931 which is 117% of the projected investment.

# MINUTE SHEET

DOKEZO  
No.

Hence I would advise to consider granting the consent for the viability of the project and investment in our country especially in that peripheral area of the country.

However the investor has to be informed to change the detail information on investment cost in the Certificate of Incentive. This is so because (i) the investment will exceed the projected cost documented; (ii) It showed that the Foreign cost will be  $0.94$  is equivalent to USD 4,400,000 and local will be  $0.6$  i.e. 600,000 USD. However borrowing from CRDB which is local Bank amount of USD 2,000,000 has exceeded the local investment projected cost of  $0.6$  i.e. 600,000 USD.

I submit for your further decision.

*[Signature]*  
DCA-01/A/2021

18

## DCA/DIF

1. Approved.
2. Inform the investor after you consult yourself regarding information details thing.

*[Signature]*

1/11/2021

19

DCA-M18 F11 & F13

The PV report, CRDB agreement clause 4(a)(ii) and investor letter F11 of 04/10/2021 confirms equity contribution to the expansion. I bring for your office to draft consent.  
*[Signature]*  
DCA-DIF 03/11/2021

# MINUTE SHEET

Dokezo  
No. 30

LAM

Prepare approval letter for EXD's signature

  
DCA-04/11/2021

31.

SCO (Alex)

Please craft the consent letter for  
to M/S. JUN YU INVESTMENT INTERNATIONAL  
CO. LTD for EXD signature.

  
'05/11/2021  
LAM,

32.

LAM

Please find the attached draft consent letter  
in your inbox for further processes.




SCO

05.11.2021

33.

DCA

The consent letter has been crafted. I bring for  
further steps.

  
'05/11/21  
LAM,

34.

EXD

The draft letter is attached in loose sheet for your signature

  
Russtopor  
DCA-05/11/2021

# MINUTE SHEET

Dokezo  
No.

TICC/PP.10/041627/3

16<sup>th</sup> January 2009

Managing Director,  
Sterak Beverages Ltd,  
P.O. Box 75314,  
**DAR ES SALAAM**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE  
ESTABLISHMENT OF FACILITIES FOR PROCESSING AND  
BOTTLING OF WATER AND OTHER BEVERAGES**

We wish to acknowledge receipt of your project proposal to establish facilities for processing and bottling of water and other beverages as presented in the TIC P.A. 1 Form No. 07175 and Feasibility Study with a projected investment of USD 0.536 m.

We have studied your project proposal and are pleased to inform you that your investment proposal is now officially registered and therefore your project will be granted a CERTIFICATE OF INCENTIVES, given under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997.

You will be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 750.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please arrange to make payments at your earliest convenience.

.../2

TICC/PP.10/041627/3

16<sup>th</sup> January 2009

We wish you every success in the implementation of the project.

Yours sincerely,  
**Tanzania Investment Centre**

  
**B. D. Chonjo**  
For: Executive Director

Copy to: Permanent Secretary,  
Ministry of Finance and Economic Affairs,  
P. O. Box 9111,  
**DAR ES SALAAM**

Permanent Secretary,  
Ministry of Industry, Trade and Marketing,  
P.O. Box 9503,  
**DAR ES SALAAM**

Commissioner General,  
Tanzania Revenue Authority,  
P. O. Box 11491,  
**DAR ES SALAAM**



# TIC Evaluation Report

Name of the Company  
**Sterak Beverages Ltd**

Post Box	Kijitonyama	COI Number	62080	Contact	Sterwat Mmbaga
Post Office	75314	COI Date	17/09/2007	Designation	
Region	Dar Es Salaam	Application F. No	07175	Phone	0
Country	Tanzania	Status	Expansion	Direct Phone	+255 22 2774518
		Sector	Manufacturing	Cell Phone	0774 319266
		Sub Sector	Beverages	Fax	+255 22 2774505
		File No	041627	E-Mail Address	Sterbertz@Yahoo.Com

Project Location		Investment Finance Plan in Millions USD												
Plot/Block	Plot no 1 Block 47 c	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0</td> <td>0.133</td> <td>0</td> <td>0.403</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.133	0	0.403				
Foreign Equity	Local Equity		Foreign Loan	Local Loan										
0	0.133		0	0.403										
Street	Kijitonyama													
District	Kinondoni													
Region	Dar es Salaam													

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.019
Kahuye Killo	Tanzanian	40	Plant	0.31
Sterwat Mmbaga	Tanzanian	60	Vehicles	0.092
			Furniture & Fittings	0.023
			Pre-expenses	0
			Others	0
			Working Capital	0.092
			Total	0.536

Employment	99	Evaluated By	Sospeter Ndelema Dome
Capacity	15000 ltrs	Drawn By	Dorah Registry
Project Turn Over			

### Description

To establish facilities for processing, bottling and distribution of water and other beverages

### Recommendations

Be approved subject to providing evidence as required by section 17 of Tanzania Investment Act, 1997

### Decision

Approved.

*[Signature]*  
 Ag ExD

14/01/09



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

# CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,  
and the Investment Regulations:  
Regulation 42, Government Notice No. 318A of 2002)**

**Tanzania Investment Centre**  
9A & B Shaaban Robert Street  
P. O. Box 938  
**DAR ES SALAAM**  
Tel. 022 2116328  
Fax. 022 2118253  
e-mail: [information@tic.co.tz](mailto:information@tic.co.tz)  
Website: [www.tic.co.tz](http://www.tic.co.tz)

**(Please fill the form in duplicate)**

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

To: The Executive Director  
Tanzania Investment Centre  
P. O. Box 938  
**DAR ES SALAAM**  
Tanzania

1. I/We STEWART MMBAGA (MR)  
(director/directors/agent of STERAK BEVERAGES LIMITED  
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVE  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at KIJITONYAMA  
PLOT 1, BLOCK 47C DAR ES SALAAM.

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at PLOT 1, BLOCK 47C KIJITONYAMA, DLSA

4. The Principal Officers of the Company are MR. STEWART MMBAGA (MANAGING DIRECTOR)  
MISS KAHUYE KILLO (EXECUTIVE DIRECTOR), SHABAN KAKINGA  
(COMPANY SECRETARY)

5. Auditors of the Company are DEMUS ASSOCIATES (CERTIFIED PUBLIC  
ACCOUNTANTS) P.O. BOX 12665, DAR ES SALAAM.

6. The authorized share capital of the Company is Tshs./US\$ 10,000,000,000/=  
DEVIDED INTO 10,000,000 ORDINARY SHARES OF  
TSHS. 1000/=

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 697,620,192/= *[Signature]*
8. The month and day of the financial year end is 31<sup>ST</sup> DECEMBER

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, STEWART MMBAGA ..... of Post Office Number 75314. DAR ES SALAAM  
TANZANIA ..... do solemnly and sincerely declare that I am a director/duly  
 authorized agent of STERAK BEVERAGES LIMITED .....

**AND** that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND** I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }

The 29 day of September 2003 }

*[Signature]*  
 Applicant

Before me:



*[Signature]*  
 Commissioner for Oaths

APPLICATION SUMMARY

Company Name: STERAK BEVERAGES LIMITED

Certificate of Incorporation Number: 62080 Status:

Certificate of Incorporation Date: 17th SEPTEMBER 2007

Post Box: 75314

Town: DAR ES SALAAM

Sector: INDUSTRY

Sub-Sector: BEVERAGES

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
-	173,650,000	-	523,970,192/=

Project Objectives: PROCESS, MARKETING AND DISTRIBUTION OF BEVERAGES

Capacity: 15000 LTRS PER DAY OR 4,680,000 PA

Employment: Foreign: 0 Local: 99 Total: 99

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: PLOT 1, BLOCK 47C

Street: KISIINYAMA District: KINONDONI Region: DAR ES SALAAM

(Attach sketch map showing project location)

Shareholders	Nationality	%
MR. STEWART MMBAGA	TANZANIAN	60
MS. KAHYE KILLO	TANZANIAN	40

## Investment Breakdown US\$/Tshs.M

Land/Building	24,150,000/=
Plant	403,201,500/= <i>Jan</i>
Vehicles	119,600,000/=
Furniture & Fittings	29,900,000/=
Pre-expenses	—
Others	—
Working Capital	120,768,692/= <i>Jan</i>
<b>TOTAL</b>	<b>697,620,192/=</b>

### Contact Details:

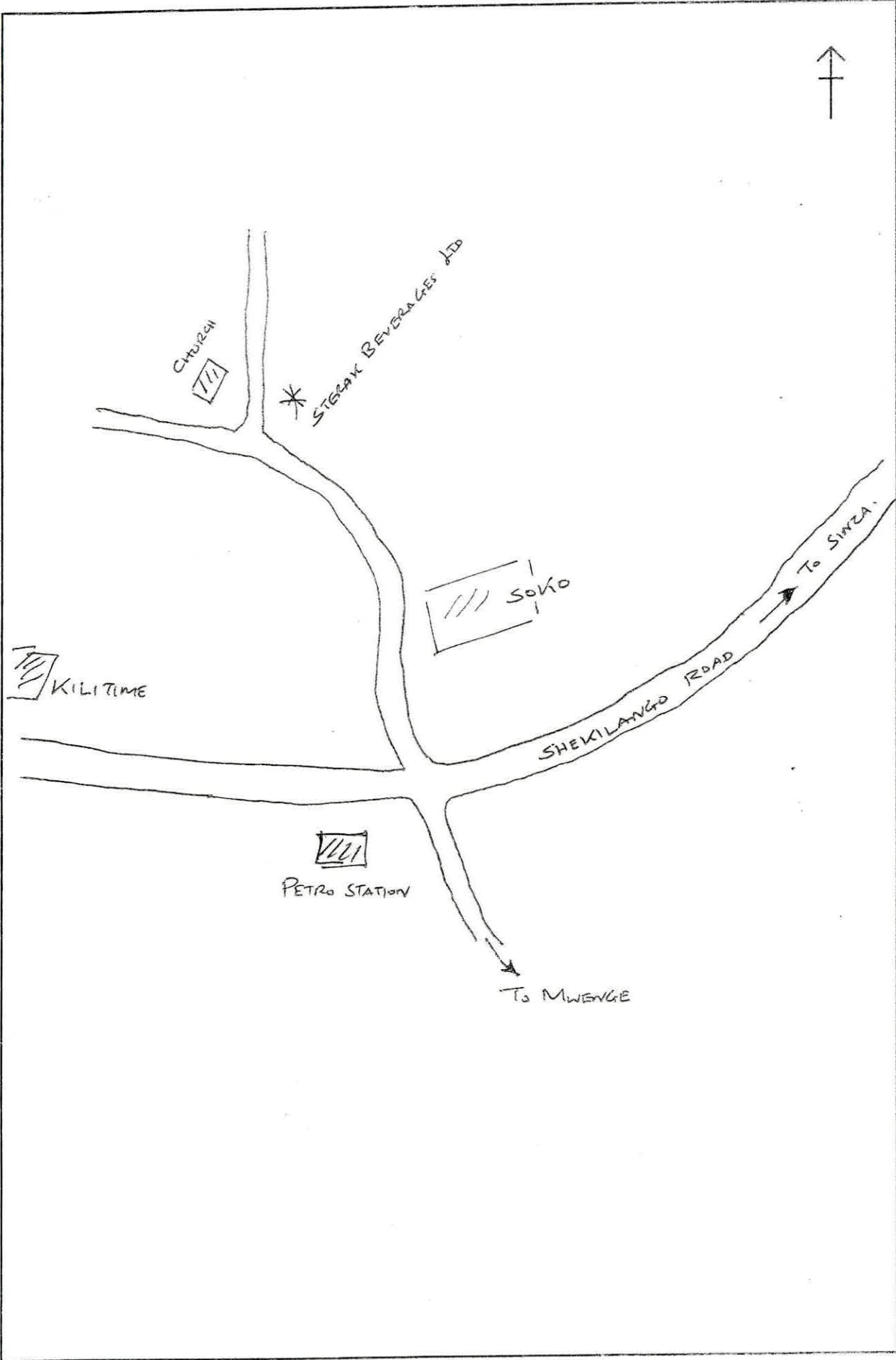
Name: STEWART MMBAGA Title: MANAGING DIRECTOR  
Telephone: +255 22 2774518 / 077431926 Fax: +255 22 2774505  
Email: stbertz@yahoo.com

### Payments to be made payable to:

TANZANIA INVESTMENT CENTRE  
STANDARD CHARTERED BANK TANZANIA LTD.  
SWIFT ADDRESS: **SCBLTZTX**  
ACCOUNT NO.: **8702006002000**



# SKETCH MAP SHOWING PROJECT LOCATION







# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

# CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,  
and the Investment Regulations:  
Regulation 42, Government Notice No. 318A of 2002)**

**Tanzania Investment Centre**  
9A & B Shaaban Robert Street  
P. O. Box 938  
**DAR ES SALAAM**  
Tel. 022 2116328  
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e-mail: [information@tic.co.tz](mailto:information@tic.co.tz)  
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To: The Executive Director  
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P. O. Box 938  
DAR ES SALAAM  
Tanzania

- I/We STEWART MMBAGA (MR)  
(director/directors/agent of STERAK BEVERAGE S. LIMITED  
enterprise) apply for registration of CERTIFICATE OF INCENTIVE  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
- The registered office of the company will be situated at KIJI TONYAMA  
PLOT 1, BLOCK 4TC DAR ES SALAAM  
Copies of the following documents are attached to this application:
  - The Memorandum and Articles of Association/or partnership agreement
  - Certificate of Incorporation/Registration
  - A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
  - Evidence of financing and evidence of land ownership for the project
- The Head Office of the Company will be situated at PLOT 1, BLOCK 4TC, KIJITONYAMA, DLSIN
- The Principal Officers of the Company are MR. STEWART MMBAGA (MANAGING DIRECTOR)  
MISS KAHUYE KILU (EXECUTIVE DIRECTOR)  
(COMPANY SECRETARY)  
SHABAN KAKINWA
- Auditors of the Company are DEMUS ASSOCIATE S (CERTIFIED PUBLIC ACCOUNTANTS)  
P.O. Box 12665, DAR ES SALAAM.
- The authorized share capital of the Company is Tshs./US\$ 10,000,000/=  
DEVIDED INTO 10,000,000 ORDINARY SHARES OF  
TSHS. 1000/=

7. The intended capital contribution of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 697,620,192/= J. Malima

8. The month and day of the financial year end is 31<sup>ST</sup> DECEMBER

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, STEWART MMBAGA ..... of Post Office Number 75314 DAR ES SALAAM  
TANZANIA .....

do solemnly and sincerely declare that I am a director/duly authorized agent of STERAK BEVERAGES LIMITED .....

**AND** that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND** I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam

The 24 day of September 2003

J. Malima  
Applicant

Before me:



J. Malima  
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: STERAK BEVERAGES LIMITED

Certificate of Incorporation Number: 62080 Status:

Certificate of Incorporation Date: 17th SEPTEMBER 2007

Post Box: 75314

Town: DAR ES SALAAM

Sector: INDUSTRY

Sub-Sector: BEVERAGES

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
-	173,650,000	-	523,970,192 =

Project Objectives: PROCESS, MARKETING AND DISTRIBUTION OF BEVERAGES

Capacity: 15000 LTRS PER DAY OR 4,680,000 PA

Employment: Foreign: 0 Local: 99 Total: 99

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: PLOT 1, BLOCK 47C

Street: KISIYENYAMA District: KINONDONI Region: DAR ES SALAAM

(Attach sketch map showing project location)

Shareholders	Nationality	%
MR STEWART MMBAGA	TANZANIAN	60
MS KAIWE KILLO	TANZANIAN	40

**Investment Breakdown** USS/Tshs.M

Land/Building	24,150,000/=
Plant	403,201,500/= <i>JAM</i>
Vehicles	119,600,000/=
Furniture & Fittings	29,900,000/=
Pre-expenses	—
Others	—
Working Capital	120,768,692/= <i>JAM</i>
<b>TOTAL</b>	<b>697,620,192/=</b>

**Contact Details:**

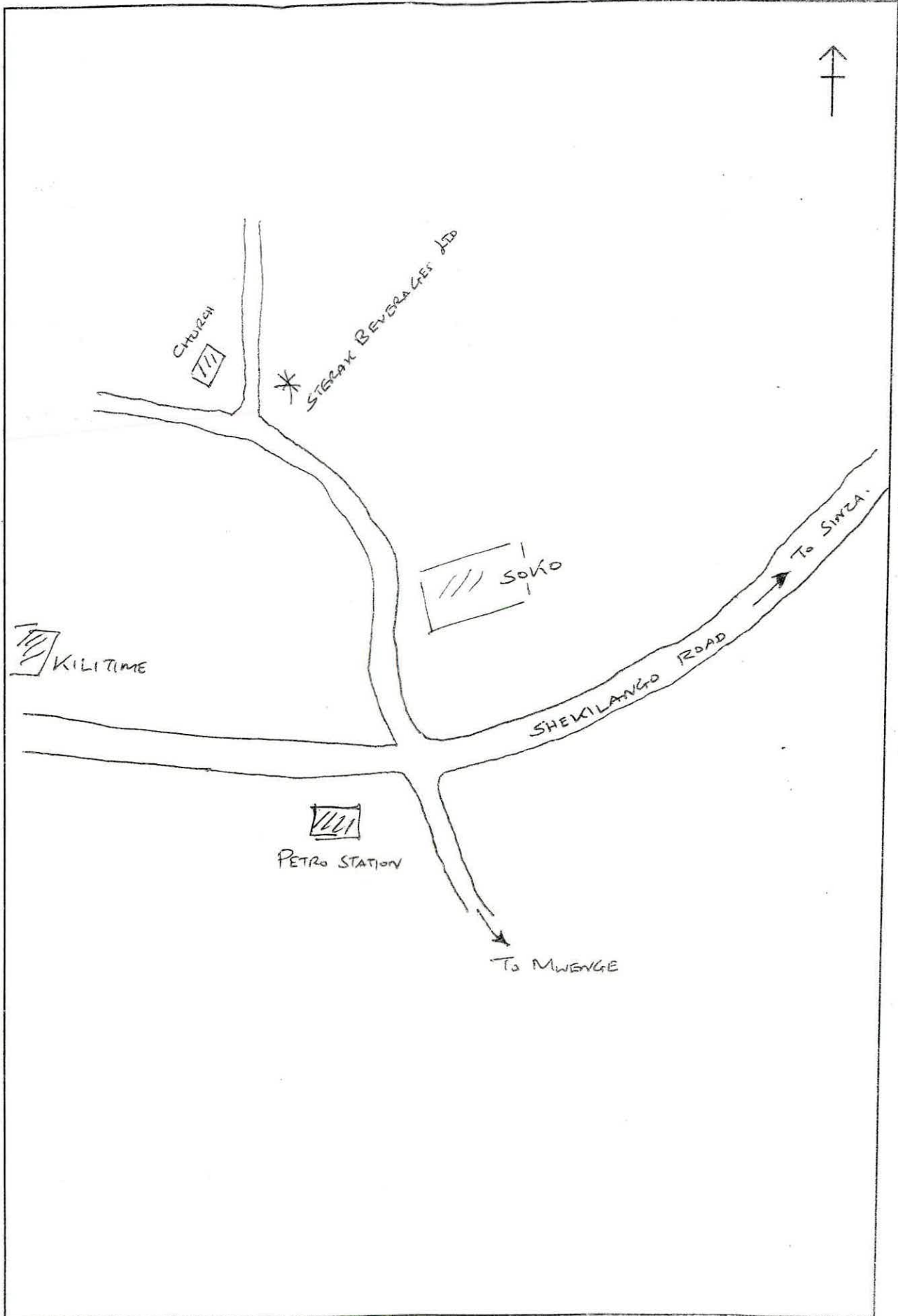
Name: STEWART MMBALA Title: MANAGING DIRECTOR  
Telephone: +255 22 2774518/077431926 Fax: +255 22 2774505  
Email: sterbertz@yahoo.com



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STANDARD CHARTERED BANK TANZANIA LTD.  
SWIFT ADDRESS: **SCBLTZTX**  
ACCOUNT NO.: **8702006002000**

# SKETCH MAP SHOWING PROJECT LOCATION







# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

## CERTIFICATE OF INCENTIVES

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9A & B Shaaban Robert Street  
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**DAR ES SALAAM**  
Tel. 022 2116328  
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DAR ES SALAAM  
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2. The registered office of the company will be situated at KIJITONYAMA  
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DEVIDED INTO 10,000,000 ORDINARY SHARES OF  
TSHS. 1000/=

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 697,620,192/- *[Signature]*

8. The month and day of the financial year end is 31<sup>ST</sup> DECEMBER

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I, STEWART MMBAGA ..... of Post Office Number 75314. DAR ES SALAAM

TANZANIA ..... do solemnly and sincerely declare that I am a director/duly

authorized agent of STERAK BEVERAGES LIMITED .....

**AND** that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND** I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }  
}

The 24 day of September 2003 }

*[Signature]*  
.....  
**Applicant**

Before me:



*[Signature]*  
.....  
**Commissioner for Oaths**



# **TANZANIA INVESTMENT CENTRE**

## **REGISTRATION FORM**

**FOR**

## **CERTIFICATE OF INCENTIVES**

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under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

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- (iv) Evidence of financing and evidence of land ownership for the project

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4. The Principal Officers of the Company are MR. STEWART MMBAGA (MANAGING DIRECTOR)  
MISS KAHUYE KILLO (EXECUTIVE DIRECTOR), SHABAN KAKINGA  
(COMPANY SECRETARY)

5. Auditors of the Company are DEMUS ASSOCIATES (CERTIFIED PUBLIC  
ACCOUNTANTS) P.O. BOX 12665, DAR ES SALAAM.

6. The authorized share capital of the Company is Tshs./US\$ 10,000,000,000/=  
DEVIDED INTO 10,000,000 ORDINARY SHARES OF  
TSHS. 1000/=

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 617,620,100/= J.A.

8. The month and day of the financial year end is 31<sup>ST</sup> DECEMBER

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ ..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, STEWART MMBAGA ..... of Post Office Number 75314 DAR ES SALAAM

TANZANIA ..... do solemnly and sincerely declare that I am a director/duly STERAK BEVERAGES LIMITED

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }  
The 24 day of September 2003 }

J.A.  
Applicant

Before me:



J. Malima  
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: STERAK BEVERAGES LIMITED

Certificate of Incorporation Number: 62080 Status:

Certificate of Incorporation Date: 17th SEPTEMBER 2007

Post Box: 75314

Town: DAR ES SALAAM

Sector: INDUSTRY

Sub-Sector: BEVERAGES

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
-	173,650,000	-	525,170,694/= 1,198,820,694/= JAMES

Project Objectives: PROCESS, MARKETING AND DISTRIBUTION OF BEVERAGES

Capacity: 15000 LTRS PER DAY OR 4,680,000 PA

Employment: Foreign: 0 Local: 99 Total: 99

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: PLOT 1, BLOCK 47C

Street: KISIINYANIA District: KINONDONI Region: DAR ES SALAAM

(Attach sketch map showing project location)

Shareholders	Nationality	%
MR. STEWART MMBAGA	TANZANIAN	60
MS. KAHYE KILLO	TANZANIAN	40

## Investment Breakdown US\$/Tshs.M

Land/Building	24,150,000/=
Plant	403,201,500/= JAME
Vehicles	119,600,000/=
Furniture & Fittings	29,900,000/=
Pre-expenses	—
Others	—
Working Capital	120,768,692/= JAME
<b>TOTAL</b>	<b>697,620,192/=</b>

### Contact Details:

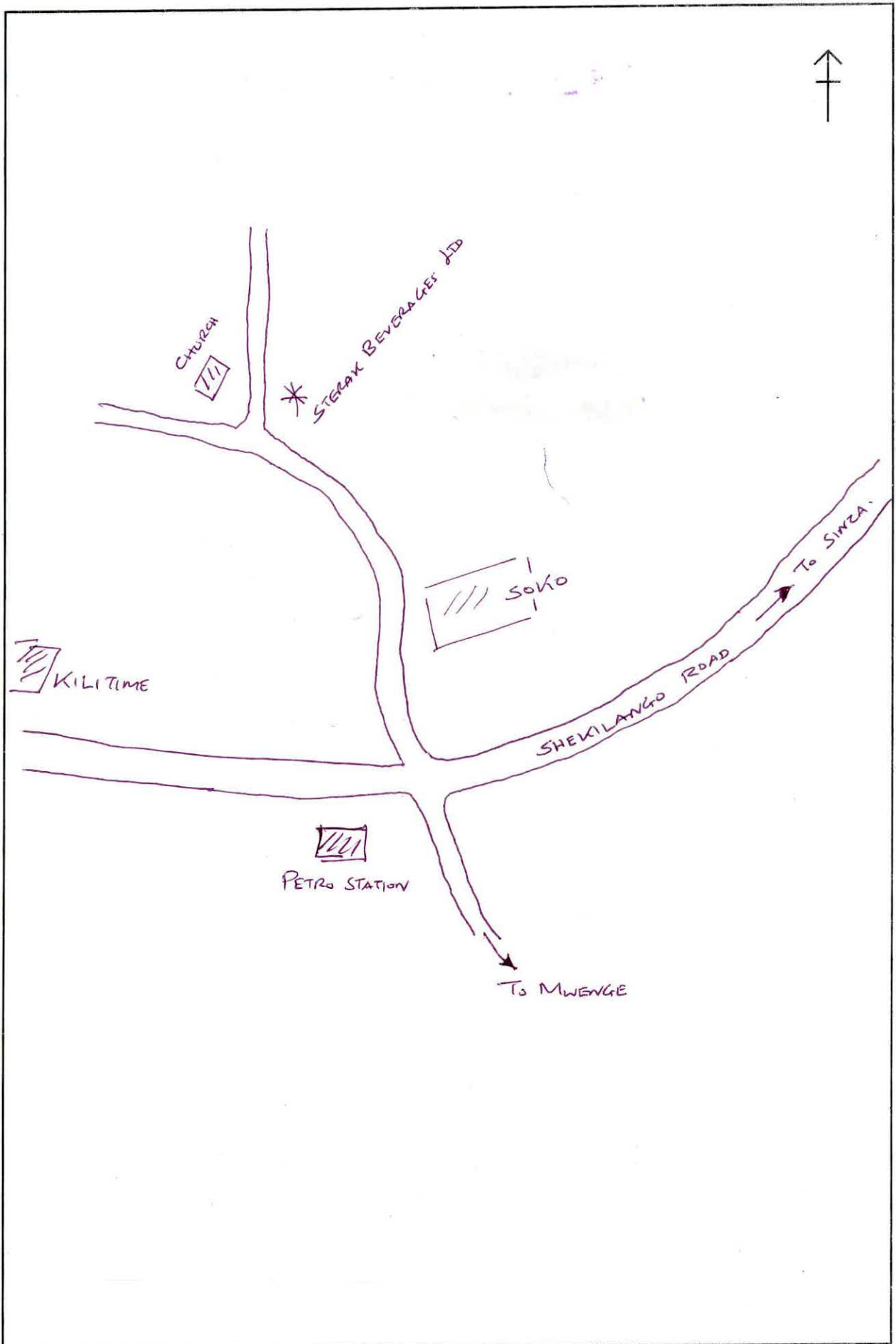
Name: STEWART MMBAGA Title: MANAGING DIRECTOR  
Telephone: +255 22 2774518 / 0774319266 Fax: +255 22 2774505  
Email: sterbevtz@yahoo.com



### Payments to be made payable to:

TANZANIA INVESTMENT CENTRE  
STANDARD CHARTERED BANK TANZANIA LTD.  
SWIFT ADDRESS: **SCBLTZTX**  
ACCOUNT NO.: **8702006002000**

# SKETCH MAP SHOWING PROJECT LOCATION





APPLICATION SUMMARY

Company Name: STERAK BEVERAGES LIMITED

Certificate of Incorporation Number: 62080 Status:

Certificate of Incorporation Date: 17th SEPTEMBER 2007

Post Box: 75314

Town: DAR ES SALAAM

Sector: INDUSTRY

Sub-Sector: BEVERAGES

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
—	173,650,000	—	523,970,192 =

Project Objectives: PROCESS, MARKETING AND DISTRIBUTION OF BEVERAGES

Capacity: 15000 LTRS PER DAY OR 4,680,000 PA

Employment: Foreign: 0 Local: 99 Total: 99

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: PLOT 1, BLOCK 47C

Street: KIJIRENYAMIA District: KINOUNDENI Region: DAR ES SALAAM (Attach sketch map showing project location)

Shareholders	Nationality	%
MR. STEWART MMBAGA	TANZANIAN	60
MS. KAHYE KILLO	TANZANIAN	40

**Investment Breakdown US\$/Tshs.M**

Land/Building	24,150,000/=
Plant	403,201,500/= <i>Jan</i>
Vehicles	119,600,000/=
Furniture & Fittings	29,900,000/=
Pre-expenses	—
Others	—
Working Capital	120,768,692/= <i>Jan</i>
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**Contact Details:**

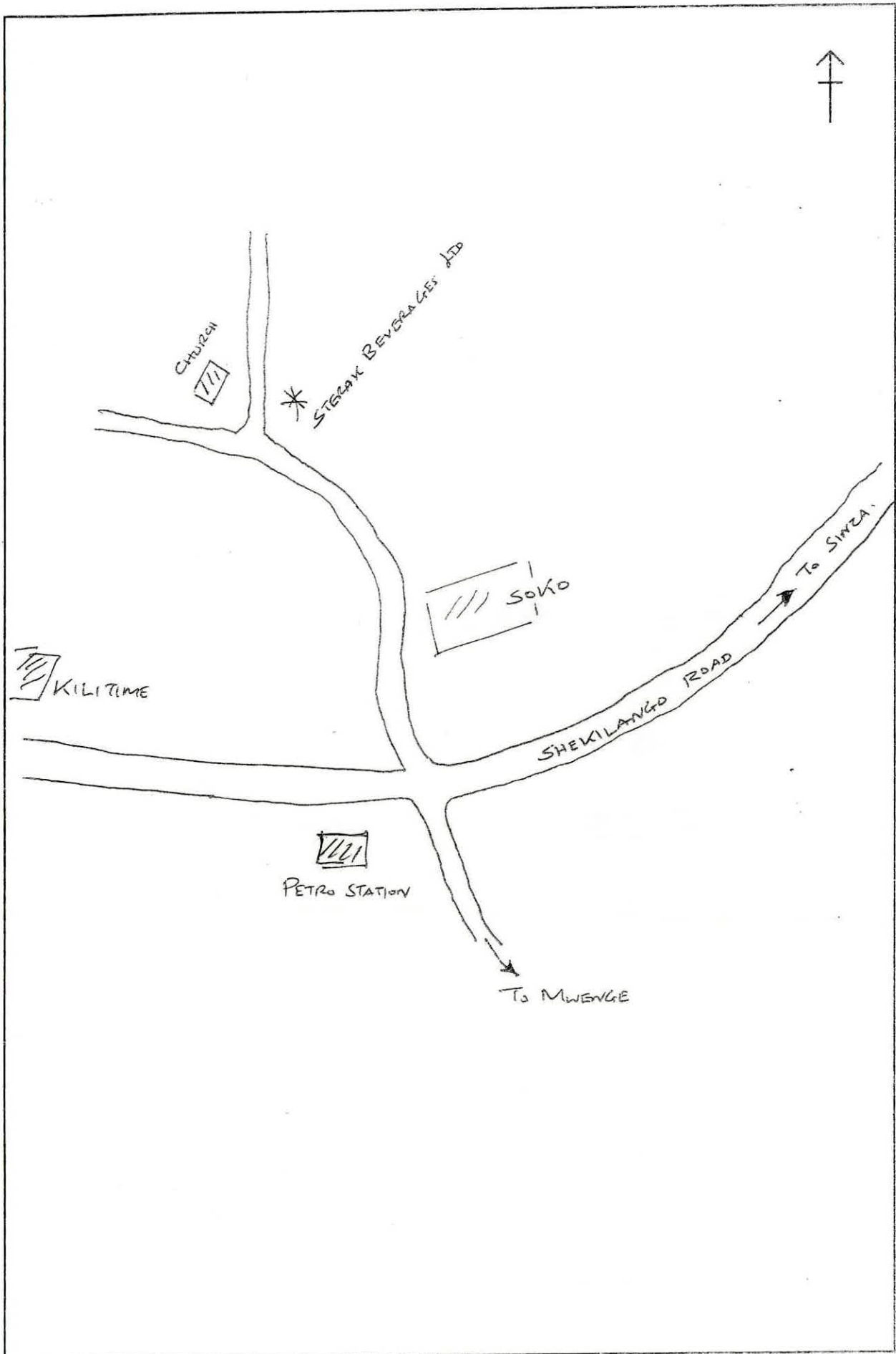
Name: STEWART MMBAGA Title: MANAGING DIRECTOR  
Telephone: +255 22 2774518/077431926 Fax: +255 22 2774505  
Email: sterbertz@yahoo.com

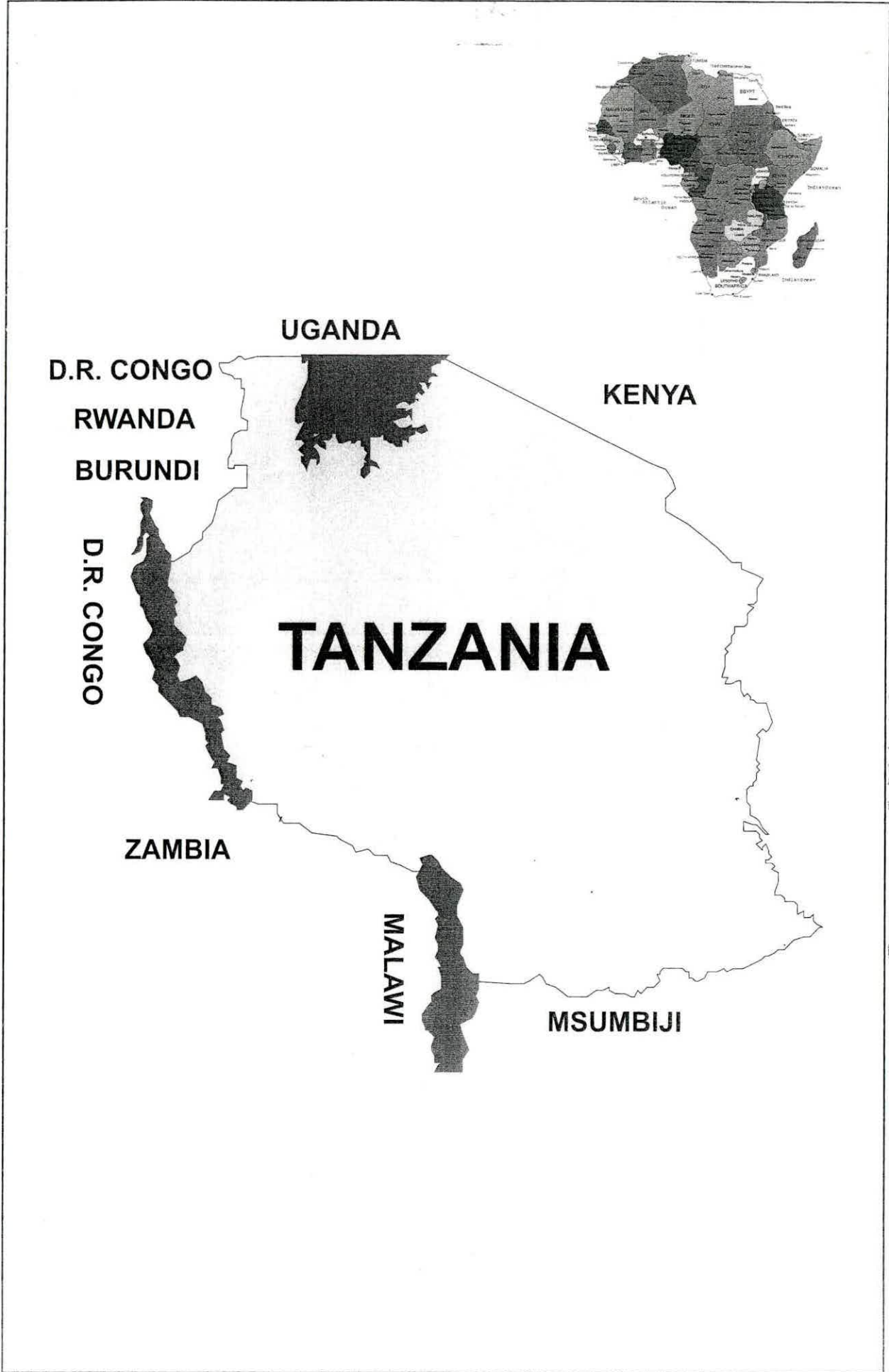


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SWIFT ADDRESS: **SCBLTZTX**  
ACCOUNT NO.: **8702006002000**

# SKETCH MAP SHOWING PROJECT LOCATION







# STERAK BEVERAGES LIMITED

24.December.2008

EXECUTIVE DIRECTOR  
TANZANIA INVESTMENT CENTRE  
P.O.BOX 938  
DAR ES SALAAM



**RE : APPLICATION FOR CERTIFICATE OF INCENTIVES**

Dear Sir,

Sterak beverages Limited is pleased to submit this application for your review. We look forward to your partnership in our corporative efforts to make our citizens healthier.

Sterak beverages is a newly established company still in its start - up phase. The company will engage in beverage processing, marketing and distribution ( at industrial scale ) around the country. Our initial capital investment is estimated at US\$ 450,000 ( Tshs.540,000,000 ), the amount that will be used to acquire processing machines, distribution trucks, vehicles and office equipment.

The importance of our company obtaining a certificate of incentive from TIC cannot be overemphasized, as we will be able to meet our core objective of providing Tanzanians with high quality, healthier and refreshing beverages at reasonable prices through coast serving at the same time remain financially viable and competitive on the market place.

It is also the intention of Sterak beverages to share the benefits offered by Tanzania Investment Centre with the community. The company is therefore planning to;

- ( a ) Provide employment to over 4000 Tanzanians within two years of its operation.
- ( b ) Participate in the National effort to improve our environment.
- ( c ) Contribute in building National economy through tax paying
- ( d ) Provide Tanzanians with healthier and refreshing beverages at affordable prices.

To reach our mission, we have gathered a team of experts with extensive knowledge in beverage marketing, finance and general management to work with us.

Enclosed along with this letter, please find,

**3 copies of TIC application form**

**3 copies of our business plan**

**Copy of a company memorandum and article of association**

**Certified copy of company incorporation**

**Investors profile**

**Bank statement**

**Introduction letter from our bank**

**Board resolution**

**Implementation schedule**

We deliver quality

Thank you for your interest in Sterak beverages Limited. We envision in building upon our collaborative success by making the economy of our Nation stronger and health of our communities much better with you.

Sincerely,

A handwritten signature in red ink, appearing to be 'J. Amadi', written over the printed name 'Managing Director'.

Managing Director

041627



# STERAK BEVERAGES LIMITED

24 December 2008

EXECUTIVE DIRECTOR  
TANZANIA INVESTMENT CENTRE  
P.O.BOX 938  
DAR ES SALAAM

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- Introduction letter from our bank
- Board resolution
- Implementation schedule

**We deliver quality**

**STERAK BEVERAGES LTD**

**CERTIFIED BOARD RESOLUTION  
REGISTERING WATER BOTTLING PROJECT WITH TIC**

TO: The Executive Director,  
Tanzania Investment Centre,  
P.O. BOX 938,  
**DAR ES SALAAM**

We beg to inform you that, at a meeting of the Board of Directors of STERAK BEVERAGES LTD held on 29<sup>th</sup> day of November 2008 at Company Headquarter, Kijitonyama Plot & Block No.1/47C. Kinondoni - Dar es Salaam.

**It was resolved;**

**THAT**, as the Company aims to indulge widely into Beverage sector especially in the Water service, the first present WATER BOTTLING PROJECT should be registered with TIC.

**THAT**, the expansion programmes of this project and subsequent programmes of development under way by the Company shall fit to enjoy the Incentive benefits that is to be realized by this very registration.

We agree that the registration be made by you will be subject to your relevant rules, regulations, instructions, conditions and stipulations now prevailing or in future to be issued.

**We hand you herewith:-**

1. 3 copies of the project's BP attached therein with Project implementation schedule
2. 3 dully filled copies of TIC application forms.
3. A copy of the Company's Memorandum and Articles of Association.
4. A certified copy of Certificate of incorporation of the Company No. 62080.
5. A brief profile of two investors
6. Evidence of sufficient finance capital available to implement the project
7. Evidence of land ownership (3 years Lease Agreement)

We confirm that no changes in the particulars registered have taken place since the issuance of the above documents.

WE CERTIFY that the Board of Directors of STERAK BEVERAGES LTD at its meeting held on 29<sup>th</sup> November 2008 at Company Head quarter Kijitonyama Plot & Block No.1/47C. Kinondoni - Dar es Salaam.

Dated at Dar es Salaam this 29<sup>th</sup> day of November 2008.

  
**BOARD CHAIRPERSON**

  
**DIRECTOR/SECRETARY**



# International Commercial Bank (Tanzania) Limited.

REF: ICB/UB/08/0016

DECEMBER 24, 2008

TANZANIA INVESTMENT CENTRE,  
DEPARTMENT CERTIFICATE OF INCENTIVE  
P.O. BOX 938,  
DAR ES SALAAM.

Dear Sir/Madam,

**RE: STERAK BEVERAGES LIMITED**

This is to introduce to you the company named above. The company has established a banking relationship with us by operating a current account in (Tsh.) currency, (A/C 00005/01/000039/03) at our Ubungu branch.

Basing on that therefore, any assistance rendered to him will be highly appreciated.

This information is given at the customer's request and therefore neither the Bank nor any of its officers shall be held responsible for its issuance.

Be guided accordingly,  
Thank you.

Yours faithfully,

Devine Mbuya.  
Branch Manager

TANZANIA



Certificate of Incorporation

Section 15

No 62080

I HEREBY CERTIFY THAT

**STERAK BEVERAGES LIMITED =====**

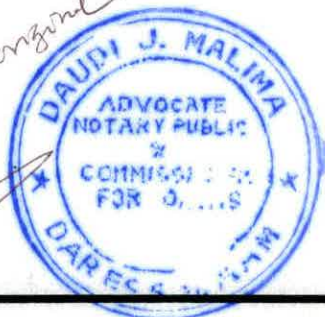
is this day incorporated under the Companies Act 2002 and that the Company is Limited

Given under my hand at Dar es salaam

this 17TH day of SEPTEMBER

**TWO THOUSAND AND SEVEN**

*True copy of original*  
*Malina*



Asst. Registrar of Companies

TIN.: 00307813



# TANZANIA REVENUE AUTHORITY

## CERTIFICATE OF REGISTRATION FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

**THIS IS TO CERTIFY THAT**

**STERAK BEVERAGES LIMITED**

.....


has been registered with the Tanzania Revenue  
Authority and assigned the Taxpayer  
Identification Number

106-661-847

.....

with effect from 20-May-2008

.....

  
JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF



THE UNITED REPUBLIC OF TANZANIA

The National Industries (Licensing and Registration) Act, 1967  
(Sections 11, 12, 15)

INDUSTRIAL LICENCE

Licence No 00002095

ISIC Class No 3134/02/20080627

Issued at DAR ES SALAAM

Name of firm and Address STERAX BEVERAGES LIMITED

P.O. BOX 75314

DAR ES SALAAM

This Licence permits operating a factory to manufacture for sale

WATER BOTTLING - -

Subject to the following conditions:

- (i) that the bearer is obliged to submit annual progress reports on the project
(ii) that the products produced shall conform to the standards accepted by Tanzania Bureau of standards.
(iii) Others: That locally available inputs must be used

Plot No. I Block 470 Kijitonyama Dar Es Salaam

Location of the factory

27th June 2008

Date

T. A. Massawe

Registrar: Ministry of Industry and Trade

**Stewart S. Mmbaga**  
**Box 75314 Dar es Salaam**  
**Tel: 0787 319266**  
**Mmbagastewart@yahoo.com**  
**Date of Birth: June 05.1966**  
**Nationality: Tanzania**  
**Marital Status: Married, Three children**

## **EDUCATION**

- 2004 – 2006 California Pacific University, U.S.A  
Masters in Business Administration Marketing
- 2000 – 2003 California Pacific University U.S.A  
Bachelors in business Administration – Marketing &  
Management
- 1998 – 1999 Dallas Community Colleges, U.S.A  
Undergraduate studies-transferred to California  
Pacific University
- 1997 – 1998 University of Central Arkansas, U.S.A  
Undergraduate studies-transferred to Dallas Colleges.
- 1989 - 1990 Dar es Salaam School of Accountancy, Mbeya/Dar  
Pursue nse/ndmm-completed nse program
- 1987 – 1988 National Service – Ruvu Jkt.  
Compulsory National service.
- 1985 – 1987 Tosamaganga High School, Iringa  
Advanced Secondary School Education.
- 1981 – 1984 Sengerema Secondary School, Mwanza.  
Ordinary Secondary School level

## EMPLOYMENT.

Jan. 2007 March 2008

### **Paciugo – U.S.A**

Sales and Marketing Advisor

Advising the Paciugo Management on Planning, for Sales and marketing Strategies.

**Consultancy - U.S.A, Tanzania** Entrepreneurship.

March 2006 – Nov. 2006

### **Mega trade Investment**

General Manager responsible for overall organizes Planning a directing Company Operations.

-Company was able to break – even within four month of my arrival.

2004 - Feb -2006

### **Zales Cooperation. U.S.A**

Asset Management Coordinator

Responsible for operation control and monitoring policy violation in all Zales Jewelry stores in USA, Canada and Puerto Rico.

Commended for reducing stores shrinkage and increase sales.

2004 Jan –Sep. 2004

### **Paciugo Inc.**

**Store Manager**

Responsible for coordinating day to day store activities, included –sales planning, store operations, employee hiring and training.

1999-2003

### **Fossil Inc. USA**

Inventory Controller

Responsible for maintaining proper stock levels, Initiate parts ordering and coordinate part issuing of the production/watch repair department.

Commended in formatting part order system that decreases ordering costs by 12%

1994 – 1997

### **Coca-Cola Northern Africa Division, Tanzania.**

Field Marketing Manager.

Liaison between Coca-Cola bottlers and Regional Office in Nairobi. Coordinate sales/Marketing operations at the bottlers level.

Responsible for marketing operations of Nyanza Bottlers Ltd (Mwanza) and Afri. Bottlers (Mbeya) which together constituted to 50% of the total country sales.

Commended for turning around sales at Nyanza bottlers Ltd and enable th bottler to become yea 1997- bottler of the year.

1991 – 1994

**Tanzania Bottlers Limited, Tanzania**  
Sales supervisor, Marketing Officer, Assistant Marketing Manager.

Design and Coordinate execution of Coca-Cola distribution network for Dar es Salaam. Coast region, Mbeya, Iringa, Songea, Zanzibar, and Dodoma Markets.

Commended for turning around sales of temeke district in Dar es Salaam.

Introduce a performance Appraisal system to the Sales personnel that helped to rejuvenate morale/motivation among the sales force.

#### **OTHER TRAINNING.**

- |      |  |
|------|--|
| ITMO | Sales skills Training offered by Coca-Cola Company.              |
| ESS  | Essential Selling Skills TRAINING, Offered by Coca-Cola Company. |
| SMS  | Sales Management skills Training, Offered by Cocal-Cola Company. |

- Train the Trainer-Offered by Coca-Cola Company.
- Finance for none Finance Managers, Offered by Execu Train, Dallas
- Effective Market Management training Offered by Execu, Train
- Time Management course, Offered by Execu Train
- Highly proficient in Ms Excel, Word, Access, Window 98/2000/xp

### **REFERENCE**

Excellent reference available on request.

Kahuye Rashid Killo  
1009 Cascade Street APT.P  
75149 Mesquite,Texas.USA  
Tel : + 1 972 285 1973  
[kahuyekillo@yahoo.com](mailto:kahuyekillo@yahoo.com)  
DOB : 15TH.June.1970  
Nationality : Tanzanian  
Marital status : Separated, four children

## EDUCATION

- 2004 - 2006      Dallas community College,Dallas.TX.USA  
Associate degree in Human resources Management
- 2003J - D2003      Elcentro College of Nursing. Dallas.USA  
Registered nurse certification
- 1990 - 1991      Secretarial College.Dar es Salaam.Tanzania  
Certificate in secretary and office management
- 1986 - 1989      Minja Secondary school  
Certificate of ordinary level education

## EMPLOYMENT

- 2003 - Todate      Presbretarian Hospital.Dallas.USA  
Nursing coordinator  
  
Work along with duty staff to ensure that patient receives proper care as per the company policy.
- 2006 - Todate      Universal summaritan Dallas.TX.USA  
volunteer.  
  
Volunteer in providing care to the none priviledged & disabled kids around Dallas metro area.
- 1991 - 1999      Agip ( T ) Limited.Dar es Salaam.Tanzania  
Office admnistrative assistant

DATED; 30<sup>TH</sup> MAY 2008

**LEASE AGREEMENT**

**ENTERED INTO BY AND BETWEEN**

**AND**

**STERAK BEVERAGES LIMITED**

**RELATING TO PLOT NO 1 BLOCK NO 47C KIJITONYAMA**

Prepared by:

TIHCO Secretaries,  
Muhla House No. 1574/144,  
Mosque Street/Kitumbini Area,  
P.O. BOX 4763  
Dar es salaam  
Tanzania

## LEASE AGREEMENT

Made and entered this 30<sup>th</sup> day of May 2008

### BETWEEN

**MR. EQBAL EBRAHIM HOLDAY**, of P. O.BOX 7258, DAR ES SALAAM, Tanzania, hereinafter referred to as **the lessor** which expression where the context admits shall include its successors and assigns of the ONE PART.

### AND

**STERAK BEVERAGES LIMITED**, a company duly registered under companies Act 2002 of P.O.BOX 75314 Dar es salaam, hereinafter referred to as the lessee of the OTHER PART.

**WHEREAS** the Lessor is the lawful owner of all that property situated at Plot No 1 Block 47C Kijitonyama, Dar es Salaam (hereinafter referred to as the demised premises)

**AND WHEREAS** the Lessor is desirous of demising the demised premises and the lessee is willing to take possession of the said premises from the Lessor.

**AND WHEREAS** the Lessor and the Lessee have agreed to enter into this Lease Agreement subject to terms and conditions appearing herein,

NOW THIS LEASE AGREEMENT WITNESSETH AS FOLLOWS

### 1.0 DEFINITIONS

“Building” Means all that property comprising Plot, No. 01 Block 47C at Kijitonyama and appurtenances erected thereon

“Contractual term” Means the period of five (5) years to be calculated from the 2<sup>nd</sup> June, 2008, PROVIDED that the Lessor shall grant to the Lessee, upon the expiry of the said five (5) years a first option to renew this contract for another term of five years, PROVIDED FURTHER that the rent may be reviewed after the expiry of the said initial five years and such review of the rent shall not entail increasing or decreasing, as the case may be, the said rent for more than ten per cent (10%) of the current rent payable.

“Demises premises” Means all that that property known as Plot No. 1 Block 47C Kijitonyama, Dar es Salaam

“ Insured risks” Means the risks or damage to fire, storm, tempest earthquake, lightning , explosion, riot, civil commotion, malicious damage, terrorism, impact by vehicle other than those resulting from wars, flood damage and bursting and overflowing of water pipes and tanks and any other risks, whether or not in the nature of the foregoing , that the Lessor acting reasonably from time to time decides to insure against.

“Permitted use “means commercial industrial use only

“Rent” Means TANZANIAN /SHILLINGS,TWO MILLION(i.e. TSH 2,000,000) per month to be paid quarterly in advance

## **2.0 THE PREMISES**

The premises shall be all that property known as plot number 1Block 47C.Kijitonyama, Dar es Salaam together with all buildings and structure thereon and, fitting and plant or Equipment thereon or pertinent thereto.

## **3.0 PERIOD OF LEASE**

Subject to the terms and conditions herein contained, this lease shall endure for a period of five (5) years stating from the 1<sup>st</sup> day of June 2008

PROVIDED that the Lessor shall grant to the Lessee, upon the expiry of the said five (5) years a first option to renew this contract for another term of five year PROVIDED FURTHER that the rent may be reviewed after the expiry of the rent shall not entail increasing or decreasing, as the case may be, the said tent for mote than ten per cent (10%) of the current rent payable.

## **4.0 USAGE**

The premises shall be used for commercial industrial accommodation only

## **5.0 RENTAL**

The rent for the demised shall be TANZANIA SHILLINGS TWO MILLION (Tshs.2, 000,000)

## **6.0 THE LESSEE HEREBY UNDERTAKEN TO CARRY OUT THE FOLLOWING OBLIGATIONS**

- 6.1 To pay the stipulated rental in the manner aforesaid to the Lessor at his home place or else whereby by the wishes
- 6.2 To pay all rate and charges for water, electricity or telephones in respect of the premises during the said period of the Lease
- 6.3 To keep and maintain the interior of the premises in clean, tidy and sanitary condition, fair wear and tear and damage by earthquake, fire and lightning accepted
- 6.4 To permit the Lessor (and such permission not to be unreasonably withheld) and his Agents at all reasonable times of the day or without workmen to enter upon the premises to view and inspect the condition of the premises. The Lessor shall give the Lessee sufficient notice of its intention in writing to view and inspect the premises in this regard.
- 6.5 Not to do anything whereby the policy of insurance on the premises against fire, lightening, or storm may become void or voidable
- 6.6. Not to assign, sub let or part with the possession of the premises or any part thereof without the prior written consent of the Lessor and such consent not to be unreasonably withheld.
- 6.7. To maintain lawns and gardens of the premises and not to use the same for purposes other than those herein provided.
- 6.8. Not to use or permit to be used the premises in a way which would create nuisance or annoyance to the public or neighbors or adjoining tenants.
- 6.9 To report to the Lessor within five (5) working days of any damage to the premises with full explanation as to circumstance and /or cause of such damage.
- 6:10 To maintain the premises in a clean and generally good condition during the currency of the Lease Agreement and to return the premises to the Lessor in the same good state as the premises were in at he date of occupation of the premises in the event of termination or expiry of the Lease.

**7.0 THE LESSOR HEREBY UNDERTAKES TO CARRY OUT THE FOLLOWING OBLIGATION**

- 7.1 Save for the taxes, duties, assessment, impositions and contributions that are directly chargeable on the account of the Lessee, the Lessor shall pay all existing and future rent rates, taxes, assessments, impositions and contributions, which may hereafter be imposed or charged in respect of the Premises.

- 7.2 To keep the exterior of the Premises together with the roof and the main structure, walls, electrical wiring and fittings thereof, all water taps, pipes, sinks and tanks used in connection with water installation in good and working condition. However, all major modifications, alterations, or additions of permanent fixtures carried out on the Premises during the currency of the Lease shall remain the property of the Lessor, unless such modifications, alterations, or additions could be removed without any material damage to the Premises.

## **8.0 GENERAL PROVISIONS**

- 8.1 Should the Lessee fail to pay any overdue rental within 21 days or any time after written notice having received by the Lessee requiring that such rental be paid, or the Lessor or Lessee commit any other breach within 30 days of written notice having been received by the Lessor or Lessee, as the case may be, requiring that such breach be remedied, then the Lessor or Lessee, whichever is the aggrieved party, shall have the right, but shall not be obliged, to cancel this lease forthwith, without prejudice to its claim for damages which it may have suffered by suffered by reason for the breach of contract.
- 8.2 That all costs for repainting and repairs done at the desire of the Lessee shall be borne by the Lessee.

## **9.0 TERMINATION / BREACH OF AGREEMENT**

- 9.1 Both parties shall make sure that they duly perform their obligations as stipulated in the Lease Agreement.
- 9.2 Either party shall be in breach of this Lease Agreement if it fails to discharge any of its obligations under the Agreement
- 9.3 Pursuant to the provisions of clause 8.1 and without prejudice to the provision of clause 9.1 hereinabove, the Lessor shall have a right to terminate this Agreement by serving a three months notice to the Lessee upon expiration of which the Lessor shall unconditionally and without further assurance take possession for the demised premises.
- 9.4 Pursuant to the provisions of clause 9.3 herein, any party can terminate this lease by serving the other party with a three months notice.

## **10. NATURE OF AGREEMENT**

- 10.1 This Agreement is personal to the Lessee and may, without the written consent of the Lessor, be assigned, mortgage, and/or charged.
- 10.2 Nothing in this Agreement shall create, or be deemed to create, a partnership or the relationship of principal and agent between the parties.
- 10.3 This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and it supersedes all previous agreement and understandings between the parties with respect thereof, any may not be modified except by an instrument in writing signed by the duly authorized representative of the parties.
- 10.4 Each party acknowledges that, in entering into this Agreement, it does not do so on the basis of, and does not rely on, any representation warranty or other provision except as expressly provided herein, and all conditions, warranties or other terms implied by statute or common law are hereby excluded to the fullest extent permitted by law.
- 10.5 If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or part, this Agreement shall continue to be valid as to the other provisions thereof and the remainder of the unaffected provisions.

#### **11.0 ARBITRATION AND PROPER LAW**

- 11.1 Any dispute arising out of or in connection with this Agreement shall be referred to the arbitration in Dar es Salaam of a single arbitrator in Dar es Salaam of a single arbitrator appointed by agreement between the parties or, in default of agreement, nominated on the application of either party by the President for the time being of the Tanganyika law society President or other body in that behalf.
- 11.2 This Agreement shall be governed by and construed in all respect in accordance with the Laws or Tanzania

12:0 MISCELLANEOUS

- 12:1 That in event the Lessor decides to sell or dispose off the premises the Lessee shall have a right of first refusal to purchase the demised premises.
- 12.2 That the Parties upon agreement in writing may amend this Lease agreement.
- 12:3 any notice under this lease shall be in writing. Notice to the Lessee shall be deemed to be sufficiently served if posted by registered mail of the Lessee at **BOX 75341 Dar es Salaam** and notice to the Lessor shall be deemed to be sufficiently served if posted by registered post at **BOX 7258 Dar es Salaam**.

IN WITNESS WHEREOF the Lessor and the Lessee have executed these present at dare s  
Salaam on the 1<sup>st</sup>.June.2008

**SIGNED BY**

NAME: **EQBAL EBRAHIM HOLDAY**

For and the behalf of the Lessor

DESIGNATION:

MANAGING DIRECTOR

SIGNATURE:



In the presence of

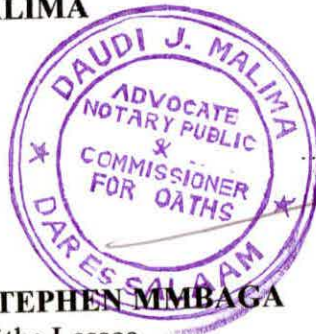
NAME: **DAUDI J. MALIMA**

0

DESINATION:

ADVOCATE

SIGNATURE





**SIGNED BY**

NAME: **STEWART STEPHEN MMBAGA**

For and on the behalf of the Lessee

DESIGNATION

MANAGING DIRECTOR

SIGNATURE




In the presence of

NAME: **KAHUYE RASHID KILLO**

DESIGNATION:

DIRECTOR

SIGNATURE:



THE COMPANIES ACT, 2002

---

COMPANY LIMITED BY SHARES

---

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

---

STERAK BEVERAGES LIMITED

Incorporated this ..... day of ..... 2007

**Drawn By:**

Shaban S. Kakinga (Co.Secretary ),  
P.O. Box, 4763,  
**DAR ES SALAAM.**

THE COMPANIES ACT, 2002

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

STERAK BEVARAGES LIMITED

1. The name of the Company is **STERAK BEVARAGES LIMITED**.
2. The Registered Office of the company will be situated in the United Republic of Tanzania.
3. The objects for which the company is established are the transaction of any and all lawful business for which Companies may be established in Tanzania under the provisions of the Companies Act, 2002 or any statutory modifications or re-enactment thereof for the time being in force, and of the regulations, policies, orders and/or instructions made thereunder and more particularly the Company shall have the following powers:
  - (a) To invest in establishing a plant to process water and bottling of still purified water, sparkling water and purified flavored water including doing all other allied processes by applying modern technology that assures hygienic standards both for human being and for industrial purposes.
  - (b) To indulge in the business of water as processors, operators, stockiest, sellers, suppliers, water harvesters, researchers, bottlers, distillers, manufacturers and applying higher aqua technology in all aspects of water purification, bottling, water treatment, desalination and other water engineering works including plumbing, digging water wells for malt uses in domestic, industrial and agricultural irrigations.
  - (c) To plan, design and construct plants for juice processing and other variety of beverages , drinks and liquids for industrial, domestic and allied uses in offices, workshops, hotels, hospital, machine rooms or other purposes or to buy, sell and acquire the same.

- (d) To carry on the business of an investment company and for that purpose to acquire, invest in and hold by way of investment bonds, obligations, certificates of deposit, notes, treasury bills, trade bills, bank acceptances, bills of exchange, shares, stocks, debentures, debenture stock, securities, mortgages, evidences of indebtedness, repurchase agreements, chooses in action, certificates of interest or participation in any profit sharing agreements, leasehold interests, put and call options and any or all combinations thereof, certificates, receipts, options, warrants and other instruments representing rights to receive, purchase, sell or subscribe for any of the foregoing or representing any other rights or interests, certificates, instruments and documents whether now known or hereafter devised which are or may hereafter be commonly known or referred to as securities issued or guaranteed by any Government, sovereign ruler, commissioner, public body or authority, supreme, municipal, local or otherwise, in any part of the world, or by any company, organization, bank, association or any partnership, whether limited or unlimited liability, constituted or carrying on business in any part of the world, units of or participation in any unit trust scheme, mutual funds or collective investment scheme in any part of the world, policies of assurance and any rights and interests to or in any of the foregoing, and from time to time to sell, exchange, vary or dispose of any of the foregoing;
- (e) To manufacture, sell and deal in machines, tools, and implements of all kinds, including harvesters, binders, reapers, mowers, rakes, headers, shredders and agricultural machinery, tools and implements of all kinds, and binder twine, and all repair parts and other devices, materials and articles used, or intended for use, in connection with any kind of harvesting or agricultural machines, tools or implements;
- (f) To manufacture, buy, sell and otherwise deal in all kinds of milk, and the products of milk, to manufacture, buy and sell all food products; to raise, buy and sell all garden, farm and dairy products; to raise, buy, sell and otherwise deal in cattle and all other livestock, to manufacture, lease, buy and sell all machinery, tools, implements, apparatus and all other articles and appliances used in connection with all or any of the purposes aforesaid, or with selling and transporting the manufactured and other products of the Company;

- (g) To plant, grow, cultivate and market all kinds of fruits, vegetables, nuts and produce, and to buy, store and sell all kinds of fruits, vegetables, nuts and produce;
- (h) To plan, design, layout, construct and contract and install plants, machinery, factories and apparatus for packaging farm products including, but not limited to, sisal products and by-products;
- (i) To purchase, lease, exchange, hire or otherwise acquire any real or leasehold estate or other property or rights real or personal, which may seem to the Company necessary or suitable or convenient for the Company's business or any part thereof, on such terms and conditions as the Company shall deem expedient, and to sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account, or otherwise deal with any such property or rights;
- (j) To acquire and undertake the whole or any part of the business, goodwill and assets, property, rights, liabilities and transactions of any person or company carrying on or proposing to carry on any business which the Company is authorized to carry on or which can be carried on in conjunction therewith or which are capable of being conducted directly or indirectly to the benefit of the Company, or to advance its interest or of properties suitable for the purpose of the Company and as part of the consideration for such acquisition to undertake all or any of the liabilities of such persons or company or to acquire an interest in, amalgamate or enter into any arrangement for sharing profits or for cooperation or for mutual assistance with any such person or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, stocks, debentures, bonds or other security;
- (k) to acquire any such bonds, obligations, certificates of deposit, notes, treasury obligations or liability undertaken by the Company or any person or company;
- (l) to carry on the general business of fishing and for that purpose to own, lease or otherwise acquire fishing vessels, ship engines, together with all materials, articles, equipment, appurtenances, machinery and appliances necessary or convenient for the carrying out of the fishing business;

- (m) to carry on any business in the agricultural sector and for that purpose to own, lease or otherwise acquire any equipment, machinery or agricultural inputs that are necessary for the carrying out or undertaking the business of the Company in any agricultural undertaking;
- (n) To promote any company for the purpose of acquiring all or any of the properties and liabilities of the Company, or for any other purpose which may seem, directly or indirectly, calculated to benefit the Company;
- (o) To acquire by concession, grant, purchase, barter, lease, licence or otherwise any area, tract or tracts of land together with such rights including mining rights, as may be agreed upon and granted by the Government or the holders of such rights or owners thereof, and to expend such sums of moneys as may be deemed requisite and advisable in exploration, survey and development thereof;
- (p) To work mines or quarries, and to find, win, get, work, crush, smelt, manufacture or otherwise deal with/in ores, metals, minerals, oils, precious and other stones, limestone, chalk, clay or deposits or products, and generally to carry on the business of mining in all its branches;
- (q) To search for and to purchase or otherwise acquire from any authority or holder of mining right and any licences, concessions, grants, decrees, rights, powers and privileges whatsoever, which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise and turn to account the same;
- (r) To purchase, take on lease or otherwise acquire any mining rights, mines and lands in Tanzania or elsewhere including tailings believed to contain gold, diamonds, gemstones, precious metals or other ores which may seem suitable or useful for any of the Company's objects and any interest therein and to explore, work, exercise, develop and turn to account the same and to conduct geological and feasibility studies and to carry on the business of a mining, smelting and refining company;
- (s) To carry on the business of providing consultancy services relating to various ways of utilizing computer systems in all possible business functions: to act as manufactures' representatives and agents for all types of computers and similar items: to buy, hire, sell, import and export and manufacture all component parts relating to hardware,

software, word processors and other types of computers: to create and maintain a high standard of professional qualifications in a computer programming and training in the principles and practices of computer programming.

- (t) To deal in, sell, operate and let for hire, automobiles, motorcycles and motor vehicles of every kind, nature and description.
- (u) Generally to buy, sell and deal in all goods, wares and merchandise necessary or incidental to the operation, repair or equipment of automobiles, motorcycles or motor vehicles of any and all kinds, manufactures and descriptions and for that purpose to buy, sell and lease property, both real and personal, as the same shall be necessary, and generally to do all things that may be necessary to the carrying out of the said business.
- (v) To plan, design and construct buildings for hotel or hostel purposes or to buy, sell and acquire the same; to conduct and carry on such hotels or hostels for the accommodation of the public or students, as the case may be, and to rent private rooms, suites and all accommodation necessary for that purpose.
- (w) To carry on business as financial agents, underwriters, concessionaires, franchisers and merchants for any other company and to undertake and carry on and execute all kinds of financial, commercial, trading and other operations which may seem to the Company capable of being conveniently carried on in connection with or ancillary to its business as an investment company;
- (x) To manufacture, buy, sell, import, and generally deal in and with gold and silverware, watches, jewelry, precious stones, opera glasses, chains, umbrellas, silver and plated ware, gold and silver ornaments, and all goods, wares, and merchandise usually dealt in by watch-makers and jewelers.
- (y) To buy, sell, deal in, lease, hold or improve real estate, and the fixtures and personal property incidental thereto or connected therewith, and with that end in view to acquire, by purchase, lease, hire or otherwise, lands, tenements, hereditaments, or any interest therein, and to improve the same, and generally to hold, manage, deal with, and improve the property of the Company, and to sell, lease, mortgage, pledge or otherwise dispose of the lands, tenements, and hereditaments or other property of the

Company; to construct, erect, equip, repair and improve houses, buildings, public or private roads, alleys, tramways, railroads, reservoirs, irrigation ditches, wharves, sewers, tunnels, conduits and subways; to make, enter into, perform and carry out contracts for constructing, altering, decorating, maintaining, furnishing, fitting up and improving buildings of every sort and kind; to advance money to, and enter into contracts and arrangements of all kinds with builders, property owners and others.

- (z) To contract freely with any person, firm, or corporation, private or public, and to carry out and fulfill contracts of every sort and kind, and to purchase, lease or otherwise acquire any and all rights, privileges and franchises convenient or profitable to carry out in connection with the corporate purposes and corporate business of the company.
- (aa) To lend and advance money or give credit on terms and conditions and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing, any holding company, subsidiary or fellow subsidiary or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyship of all kinds; to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing, any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid);
- (cc) To borrow money from any person, firm or corporation; to make and issue notes, bills, bonds, debentures and other evidences of indebtedness of all kinds, and to secure the same by pledge, mortgage or otherwise, without limit as to amount, and to provide for payment of the same by deposited cash, sinking funds, or otherwise.
- (dd) To purchase or otherwise acquire, and to own, develop, sell, mortgage or otherwise dispose of real estate, real property, and all interests and rights therein, without limit as to amount, and to the same extent as natural persons might or could do, and in any part of the world.
- (ee) To apply for, obtain, register, acquire by purchase, lease or otherwise, to hold, own, use, operate, introduce, sell, assign

or otherwise dispose of any trade-mark, trade names, copyrights, patents, inventions, improvements and processes used in connection with or secured under letters patent of Tanzania or elsewhere.

- (ff) To hold, purchase or otherwise acquire, and to sell, assign, transfer, mortgage, pledge or otherwise dispose of, shares of the capital stock and securities created by any other corporations or companies, and while the holder thereof to exercise all the privileges of ownership including the right to vote thereon.
- (gg) To invest and deal with the moneys of the Company not immediately requiring investment, in such manner as may from time to time be determined;
- (hh) To adopt such means of making known all the businesses or any of them or the products of the Company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication in books and periodicals, and by granting prizes, rewards and donations, and to carry on and conduct prize and competition schemes or any scheme or arrangement of any kind, either alone or in conjunction with any other person, firm or company whereby the Company's services or products may be more extensively advertised and made known;
- (ii) To pay out of the funds of the Company all expenses which the Company may lawfully pay for or incidental to the formation, advertisement and registration of or the raising of money for the Company or the issue of its capital including brokerage and underwriting or procuring the underwriting of shares, stocks, debentures, bonds or other securities of the company;
- (jj) To indorse, guarantee and secure the payment and satisfaction of the bonds, coupons, mortgages, deeds of trust, debentures, securities, obligations, evidences of indebtedness, and shares of the capital stock of other companies, and also to guarantee and secure the payment or satisfaction of dividends on shares of the capital stock of other companies; also to undertake the whole or any part of the assets and liabilities, existing or prospective, of any person, firm or association, also to procure any other person or corporation to assume any such obligation or obligations.



- (kk) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business;
- (ll) To do any or all of the things set forth herein as objects, purposes, powers or otherwise, to the same extent and as fully as natural persons might or could do, and in any part of the world, as principals, contractors, agents, trustees or otherwise and by or through agents, trustees or otherwise, and either alone or in conjunction with others.

**AND** it is hereby expressly declared that the objects set forth in any sub – clause of this clause shall not, except when the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other sub – clause or by the name of the Company. None of such sub – clause or objects mentioned in the first sub – clause of this clause, but the Company shall have full power to exercise all or any other of the powers conferred by any part of this clause notwithstanding that the business, undertaking, property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub – clause of this clause.

**AND** it is further declared that the word “Company” in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated, and whether domiciled in Tanzania or elsewhere.

- 4. The liability of the members is limited.
- 5. The share capital of the Company is Tshs. twenty million only (20,000,000.00) divided into two hundreds thousand shares (200,000) ordinary shares of Tshs. One hundred (100.00) each having respectively such rights and privileges and being subject to such conditions and restrictions as are provided by the Articles of Association registered herewith. Subject and without prejudice to the rights attached to any class of shares for the time being carrying special rights, the shares of the Company, whether part of the original or by increased capital of the Company, may be issued with any special, qualified, preferred or deferred rights and privileges or conditions as to capital dividends, rights of voting or other matters, but so that any such rights, privileges or conditions shall not be altered or modified except in accordance with the Articles of Association registered herewith.

We the several persons whose names and addresses are subscribed hereof are desirous of being formed into a Company in pursuance of this Memorandum of Association.

Name, Description and Address of Subscribers	Number of Shares taken by each Subscriber	Signature of the Subscriber
Stewart Mmbaga P. O. Box 75314, <b>DAR ES SALAAM</b>	600	
Miss Kahuye Killo, P.O. Box 7642, <b>DAR ES SALAAM</b>	400	

Dated this 6<sup>th</sup> day of September 2007


Witness to the above signatures:

Signature: .....

Name: .....

Qualification: .....

*Joyce E. Maselle*  
*Joyce E. Maselle*  
*Advocate*



THE COMPANIES ACT, 2002

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION  
OF  
STERAK BEVERAGES LIMITED.

1. The Company is a private company and, accordingly:
- (a) The right to transfer shares is restricted in the manner hereinafter provided.
  - (b) The number of members of the Company (not including persons who are in the employment of the Company and persons who, having been formerly in the employment of the Company, were while in that employment and have continued after the determination of that employment to be members of the Company) is limited to fifty. Provided that where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article, be treated as a single member.
  - (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
2. Regulations contained in the Companies Act, 2002 shall apply to the Company in so far as the same are not varied by, or reproduced in, these Articles of Association.

**Interpretation**

3. In these Articles, unless there be in the context anything inconsistent therewith:

"The Company" means **STERAK BEVERAGES LIMITED.**

"The Act" shall mean the Companies Act, 2002 or any Act or Acts substituted therefor, and in case of any such substitution the references in these presents to the provisions of the Act shall be read and construed as references to the provisions substituted therefor in the new Act or Acts.

“The Board”	shall mean the Board of Directors of the Company appointed pursuant to the provisions of these presents.
“Director”	shall mean a person appointed to the Board of Directors pursuant to the provisions of these presents.
“The Secretary”	shall mean any person appointed to perform the duties of the Secretary of the Company.
“Month”	shall mean calendar month.

Words and expressions defined in the Act shall, except as hereinbefore provided, have the same meanings thereby assigned to them.

Words importing the singular include the plural, and vice versa. Words importing persons shall include bodies corporate and associations as are hereinafter defined.

### **Underwriting**

4. The Company may, pursuant to the Companies Act, pay commission at a rate not exceeding ten percent of the nominal amount of shares in respect of which the commission is payable.

### **Shares**

5. (a) Any preference shares may be issued on the terms that they are, or at the option of the Company, are liable to be redeemed.
- (b) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three – fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall apply mutatis mutandis, but so that the necessary quorum shall be two persons at least holding or representing by proxy one – thirds of the issued shares of the class.

6. Every person whose name is registered as a member in the register of members shall, without payment, be entitled to a certificate under the Common Seal of the company specifying the share or shares held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
7. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not less than four thousand shillings and on such terms, if any, as to evidence and indemnity as the Directors thinks fit.

### **Lien**

8. The Company shall have a lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares standing registered in the name of a person or persons for all moneys payable by him or his or their estate or estates to the Company, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
9. The Company by its Board of Directors may sell any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or bankruptcy to the share.
10. The proceeds of the sale shall be paid by the purchaser of shares to the Company and shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall be held (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) by the Company on behalf of the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by an irregularity or invalidity in the proceedings in reference to the sale.

## **Calls on Shares**

11. The Directors may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on his shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed.
12. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
13. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of ten percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
14. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become by virtue of a call duly made and notified.
15. The Directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
16. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may, until the same would, but for such advance, become presently payable, pay interest at such rate, not exceeding, without the sanction of the Company in General Meeting, eight percent, as may be agreed upon between the member paying the sum in advance and the Directors.

## **Transfer and Transmission**

17. Subject to the provisions hereinafter contained, shares in the Company shall be transferable by written instrument in the common form signed both by transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

18. The Directors may decline to register any transfer of shares to a person of whom they do not approve not being already a member of the Company and may also decline to register any transfer of shares on which the Company has a lien. The Directors may also suspend the registration of transfers during the fourteen days immediately preceding the Ordinary General Meeting in each year. The Directors may decline to recognize any instrument of transfer unless:
- (a) A fee not exceeding three percent of the value of shares to be transferred is paid to the Company in respect thereof; and
  - (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.
19. The personal representatives of a deceased sole holder of a share shall be the only persons recognized by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the personal representatives of the deceased survivor, shall be the only persons recognized by the Company as having any title to the share.
20. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall upon such evidence being produced as may from time to time be required by the Directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the Directors shall, in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
21. A person becoming entitled to a share by reason of the death or bankruptcy of a holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
22. Except as hereinafter provided, no shares in the Company shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.

23. Every member or other person referred to in Article 20 hereof who intends to transfer shares (hereinafter called the vendor), shall give notice in writing to the Board of his intention. That notice shall constitute the Board his agent for the sale of the said shares, in one or more lots at the discretion of the Board, to members of the Company at a price to be agreed upon by the vendor and the Board, or in default of the agreement, at a price which the auditor of the Company for the time being shall certify, by writing under his hand, to be in his opinion, the fair selling value thereof as between a willing vendor and a willing purchaser.
24. Upon the price being fixed as aforesaid, the vendor may at his option, withdraw the offer to sell the shares but if he elects to proceed, the Board shall forthwith give notice to all members of the Company of the number and price of the shares to be sold and invite each of them to state in writing within thirty days from the date of the said notice whether he is willing to purchase any, and if so what maximum number, of the said shares.
25. At the expiration of the said thirty days the Board shall allocate the said shares to or amongst the member or members who shall have expressed his or their willingness to purchase as aforesaid, and, if more than open, so far as may be pro rata according to the number of shares already held by them respectively, provided that no member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid. Upon such allocation being made the vendor shall be bound on payment of the said price to transfer the shares to the purchaser or purchasers, and if he makes default in so doing the Board may receive and give a good discharge for the purchase money on behalf of the vendor and enter the name of the purchaser in the register of members as holder by transfer of the shares purchased by him.
26. In the event of the whole of the said shares not being sold under Articles 23 to 25 the vendor may, at any time within six calendar months after the expiration of the said thirty days, transfer the shares not sold to any person, subject to Article 18, and at any price.
27. Articles 22, 23, 24, 25 and 26 hereof shall not apply to a transfer to a person who is already a member of the Company, nor to a transfer merely for the purpose of effectuating the appointment of new trustees, nor to a transfer by a trustee to a beneficiary, provided that it is proved to the satisfaction of the Board that the transfer bonafide falls within one of these exceptions.

## Forfeiture of Shares

28. If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the Directors may at any time thereafter during such time as any part of such call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
29. The notice shall name a further day, not earlier than the expiration of fourteen days from the date of the notice, on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
30. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
31. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
32. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of the forfeiture, were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receive payment in full of the nominal amount of the shares.
33. A statutory declaration in writing that the declarant is Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the share on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

34. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount to the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **Alteration of Capital**

35. The Directors may, with the sanction of a special resolution of the Company, increase the share capital by such a sum to be divided into shares of such amount, as the resolution shall prescribe.

36. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before, issue be offered to such person as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time to be declined, and, after the expiration of that time, or on receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which, by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares, cannot, in the opinion of the Directors, be conveniently offered under this Article.

37. Any new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, forfeiture, expropriation, and otherwise as the shares in the original share capital.

38. The Company may, by special resolution;

- (a) consolidate and divide its share capital into shares of larger amount than its existing shares.
- (b) sub-divide its existing shares or any of them, divide the whole, or part, of its share capital into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless, to the provisions of the Companies Act, 2002.

- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
- (d) reduce its share capital in any manner and with, and subject to, any incident authorized, and consent, required by law.

### **Meetings of the Company**

39. The Company shall in each year, hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of any one Annual General Meeting of the company and that of the next.

**PROVIDED** that so long as the company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Directors shall appoint. All general meetings other than an annual general meeting shall be called extraordinary general meeting.

40. The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meeting shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by section 134 of the Act.

41. If at any time there are not within Tanzania sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

### **Notices of General Meetings**

42. Subject to the provisions of section 144 of the Act relating to resolutions requiring special notice, seven days notice at least (exclusive of the day on which the notice is served or deemed to be served but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of the business, shall be given in manner hereinafter mentioned or in such other manner if any, as may be prescribed by the Company in general meeting, to such

persons as are, under these Articles, entitled to receive such notices from the Company.

**PROVIDED** that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed by all the members entitled to attend and vote thereat.

43. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

### **Proceedings at General Meetings**

44. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of the consideration of the accounts, balance sheet, and the reports of the Board of Directors and Auditors, the election of Directors in the place of those retiring and the appointment, and the fixing of the remuneration of, the Auditors.
45. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business, save as herein otherwise provided four members for the time being present in person or by proxy shall be a quorum.
46. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.
47. The Chairman of the Board of Directors or, in his absence, any other Director shall preside as Chairman at every general meeting of the company.
48. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for the holding of the meeting, the members present shall choose one of their members (being a person entitled to vote) to be Chairman of the meeting.

49. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the Meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for twenty-one days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
50. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least a majority of the members (each being entitled to vote) present in person or by proxy.

#### **Votes by Members**

51. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on show of hands, been carried, unanimously, or by a particular majority or lost, an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
52. Except as provided in Article 54, if a poll is duly demanded it shall be taken in such manner as the Chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
53. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
54. A poll demanded on the election of a Chairman of a meeting or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
55. Subject to the provisions of the Act, a resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations or

associations being present by their duly authorized representatives) shall be as valid and effectual as if the same had been passed at a general meeting of the Company duly convened and held. Such resolution may consist of several documents in the like form each signed by one or more of the Members or their attorneys or representatives.

56. Every member shall have one vote.

57. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian appointed by that court, and any such committee or other legal guardian or other person may, on a poll, vote by proxy.

58. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.

59. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer and shall be in the following form or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve:

I/We, ..... of.....being a Member/Members of the above named Company, hereby appoint ..... of .....or failing him ..... of .....as my/our proxy to vote in my/our name(s) and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on .....day of ..... 200... and at any adjournment thereof.

#### **Advisory Board**

60. The Company may appoint a person or persons not exceeding three to advise the Company in its programmes. Such a person(s) appointed shall serve in that capacity for three years subject to renewal depending on the decision of the Company.

#### **Corporations Acting by Representatives at Meetings**

61. Any corporate body which is a member of the company may by resolution of its Directors or governing body authorize such person as it thinks fit to act as its representative at any meeting of the

Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporate body which he represents as that corporate body could exercise if it were an individual member of the Company.

### **Directors**

62. Unless and until otherwise determined by the Company in General Meeting, the number of Directors shall not be less than two nor more than nine and shall be appointed by the Company in General Meeting. The first Directors of the Company shall be appointed in writing by the subscribers to the Memorandum of Association and until such appointment, the following shall be the first Directors of the Company;

- (a) Stewart Mmbaga**
- (b) miss Kahuye Killo**

63. (a) The remuneration of Directors shall from time to time be determined by the Company in General Meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of Directors or any other committee of the Directors, or general meetings of the Company, or in connection with the business of the Company.

(b) Any Director who, by request, performs special services or goes or resides abroad for any purpose of the Company may be paid such extra remuneration as the Board may determine.

64. A Director of the Company may be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company otherwise directs.

65. Each Director shall have the power by an instrument in writing to nominate any person to act as alternate director in his place and at his discretion to remove such alternate director. On such appointment being made the alternate director shall be subject in all respects to the terms and conditions affecting the other Directors, and each alternate director, while acting in the place of

an absent Director, shall exercise all the rights and discharge all the duties of the Director he represents. Should an alternate director also be a Director, all rights vested in him as an alternate director (including the right of voting at meetings and of signing on behalf of the nominating Director any such resolution as is mentioned in Articles 92) shall be in addition to and not in substitution for his rights as a Director. Any instrument appointing an alternate director shall be delivered to and retained by the Company. If the Director making any such appointment as aforesaid shall cease to be a Director, the person appointed by him shall cease to have any power or authority to act as an alternate director.

66. All appointments and removal of an alternate Director shall be effected by an instrument in writing delivered at the Office and signed by the appointer.

### **Borrowing Powers**

67. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or security for debts, liability or obligation of the Company or of any third party.

### **Powers and Duties of Directors**

68. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meetings, subject nevertheless to the provisions of the Act or these Articles and to such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
69. The Board may at any time and from time to time delegate to any person such of its powers as are not by the Act or by these Articles required to be exercised by it.
70. The Directors may from time to time and at any time by Power of Attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretion, not exceeding those vested

in or exercisable by the Directors under the Act or these Articles, and for such period and subject to the conditions as they may think fit, and any such Power of Attorney may contain such provisions for the protection and convenience of persons dealing with any such Attorney and for the delegation by such Attorney of all or any of the powers, authorities and discretion vested in him.

71. The Directors may exercise the powers conferred by section 43 of the Act with regard to having an official seal for use abroad.

72. The Directors may exercise the powers conferred upon the Company by section 124 to 127 (both inclusive) of the Act with regard to the keeping of a branch register, and the Directors may, subject to the provisions of those sections, make and vary such regulations as they may think fit respecting the keeping of any such register.

73. (a) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with section 209 of the Act.

(b) A Director shall, nevertheless, be entitled to vote in respect of any contract or arrangement in which he is interested.

(c) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be voided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

(d) A Director may vote at a meeting of the Directors or of a committee of Directors upon any resolution concerning a contract, proposed contract, transaction or arrangement in which he has, whether directly or indirectly, an interest or

upon any matter arising therefrom, and if he shall so vote, his vote shall be counted and he shall be taken into account in determining whether a quorum is present at such meeting.

- (e) Any Director may act himself or by his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director. Provided that nothing herein contained shall authorize a Director or his firm to act as auditor of the Company.

74. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

#### **Minutes**

75. The Directors shall cause minutes to be made in books provided for the purpose:

- (a) of the names of the Directors present at each meeting of the Directors, and of any committee of the Directors; and
- (b) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of the Committees of Directors; and
- (c) of all appointments and dismissals of staff made by the Directors.

76. The Directors, on behalf of the Company, may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

#### **Disqualification of Directors**

77. The Office of Directors shall be vacated if the Director:

- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or

- (b) becomes prohibited from being a Director by reason of any order made under sections 193 or 197 of the Act; or
- (c) is found to be lunatic or becomes of unsound mind; or
- (d) resigns his office by notice in writing to the Company; or
- (e) without the permission of the Chairman, he does not attend three consecutive or four whether consecutive or not, meetings of the Board; or
- (f) is directly or indirectly interested in any contract with the Company and fails to declare the nature of his interest in the manner required by section 209 of the Act; or
- (g) is punished with imprisonment for a term exceeding six months without an option of a fine; or
- (h) is removed from that office by a resolution at the general meeting of the Company.

78. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company, shall declare the nature of his interest at a meeting of the Directors in accordance with section 209 of the Act. Subject to such disclosure as aforesaid, a Director may vote in respect of any contract or arrangement in which he is interested and if he shall so vote his vote shall be counted, and he may be counted in ascertaining whether a quorum is present at any meeting at which any such contract or arrangement shall come before the Directors for consideration. Membership of an association or any partnership or corporate body shall be deemed to be interest for the purpose of this Article.

#### **Appointment and Removal of Directors**

79. Subject to and in accordance with any agreement in writing among all of the members of the Company, the Company may by Special Resolution:

- (a) appoint any person a Director, so, however, that the prescribed maximum be not exceeded, and determine the period for which he is to hold office;
- (b) remove any Director from office and appoint another person in his stead.

80. A Director shall be entitled to receive notice of and to attend and speak at any general meeting or at any separate meeting of the holders of any class of shares in the Company.

81. Every Director shall remain in office until the expiry of his period of appointment or until removed under the provisions of Article 82 or until his office is vacated under the provisions of Article 77 or as otherwise agreed by all of the members of the Company in writing.

82. Subject to and in accordance with any agreement in writing among all of the members of the Company, the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles.

### **Chairman**

83. The Directors shall elect amongst their own body a Chairman for such period as they think fit.

84. The Chairman shall preside at every meeting of the Directors and of the Members.

### **Proceedings of Directors**

85. The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or a casting vote. A Director may, and the Secretary, on the requisition of a Director, shall, at any time, summon a meeting of the Directors. It shall be necessary to give notice of a meeting of Directors to any Director for the time being absent from Tanzania.

86. The quorum necessary for the transaction of the business of the Directors shall be fixed by the Directors and unless so fixed shall be two.

87. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company, as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of summoning a general meeting of the Company, but for no other purpose.
88. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by these Articles and by the Directors.
89. The members of a Committee appointed by the Board shall choose one of them to be the Chairman of the Committee.
90. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the Chairman of that meeting shall have a second or casting vote.
91. All acts done at any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defects in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
92. A resolution in writing, signed by all the Directors for the time being shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.

### **Secretary**

93. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by the Directors.

### **Chief Executive Officer and Chief Operating Officer**

94. The Chief Executive Officer, if any, and Chief Operating Officer, if any, shall be appointed by the Board for such term, at such remuneration and upon such terms and conditions as the Board may think fit and any Chief Executive Officer or Chief Operating Officer so appointed may be removed by the Board.

## **The Seal**

95. The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or of a Committee of the Directors authorized by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or some other person appointed by the Directors for the purpose.

## **Dividends and Reserve**

96. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. The Directors may, from time to time, pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company. Any general meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular, of paid up shares, debentures, or debenture stock of the Company, or paid up shares, debentures, or debenture stock of any other company or in any one or more of such ways.

97. Any general meeting may resolve that any moneys, investments or other assets forming part of undivided profits of the Company standing to the credit of a reserve fund, or any capital redemption reserve fund or in the hands of the Company and available for dividend be capitalized and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such members in paying up in full either at par or at such premium as the resolution may provide any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalized sum.

98. For the purpose of giving effect to any resolution under the last two preceding Articles, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular, may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed or that fractions of less value than Tshs. 1,000/- may be disregarded if order to adjust the rights of all parties, and may vest

any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with the Act, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointments shall be effective.

99. No dividend shall be paid otherwise than out of the profits.

100. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid up on any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purpose of this Article as paid on the share.

101. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments, other than shares of the Company, as the Directors may from time to time think fit.

102. If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividend payable on the share.

103. No dividend shall bear interest against the Company.

### **Accounts**

104. The Directors shall cause proper books of account to be kept with respect to: -

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the Company;
- (c) the assets and liabilities of the Company.

105. Proper books shall not be deemed to be kept if there are not kept such books of accounts as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
106. The books of accounts shall be kept at the registered office of the Company or at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors.
107. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts or books of the Company or any of them shall be open to the inspection of Members, and no member, not being a Director, shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorized by the Board or by the Company in general meeting.
108. The Directors shall from time to time in accordance with section 153 of the Act cause to be prepared and to be laid before the Company in general meeting such balance sheets, accounts and reports as are necessary and requisite under such provisions.
109. A copy of every balance sheet, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the Auditors' Report shall, not less than twenty one days before the date of the meeting, be sent to every Member of the Company.

**PROVIDED** that this Article shall not require a copy of those documents to be sent to any Member of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

#### **Capitalization of Profits**

110. The Company in General Meeting may, upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available to distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued or

debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

**PROVIDED** that a share premium account and capital redemption reserve fund may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

111. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriation and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully-paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorize any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, for (as the case may require), for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

#### **Audit**

112. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.
113. The Company Auditors shall make a report to the members on all annual accounts of the Company of which copies are to be laid before the Company in General Meeting during their tenure of office.

#### **Financial Year**

114. The financial year of the Company shall commence on 1<sup>st</sup> January in each calendar year and end on 31<sup>st</sup> December in the same calendar year, both dates inclusive.

## **Notices**

115. A notice may be given by the Company to any member either personally or by sending it by post to him at his registered address or, if he has no registered address within Tanzania, to him at the address, if any, within Tanzania supplied by him to the Company for the giving of notice to him. Where notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting an envelope containing the notice and to have been effected in the case of a notice of a meeting at the expiration of seven days after the envelope containing the same is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

116. Notice of every general meeting shall be given in any manner hereinbefore authorize to: -

- (a) every member except those members who, having no registered address within Tanzania, have not supplied to the Company an address outside Tanzania for the giving of notices to them; and
- (b) the Auditors for the time being of the Company; and
- (c) The Directors.

117. No other person shall be entitled to receive notice of general meetings.

## **Indemnity**

118. Every Director, Agent, Auditors, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by it or him in defending any proceedings, whether civil or criminal, in which judgment is given in its or his favour or in which it or he is acquitted or in connection with any application under section 481 of the Act in which relief is granted to it or him by the Court.

## **Dissolution**



119. The Company shall not be dissolved except by a resolution of two thirds of the members of the Company in general meeting duly convened for that purpose.

120. In the event of the Company being wound up, the liquidator or liquidators may, with the consent of the Company in general meeting, transfer any of the assets of the Company to trustees to be held by them in trust for the members, or divide amongst the members any fully paid shares, stocks or securities to which the Company is entitled.

**By Laws**

121. The Board may make by-laws governing the running of the matters to be done by the Company provided always that such by-laws shall not be in contravention of any provision of the Act, the Memorandum of Association and these Articles.

We the several persons whose names and addresses are subscribed hereof are desirous of being formed into a Company in pursuance of this Memorandum of Association.

Name, Description and Address of Subscribers	Number of Shares taken by each Subscriber	Signature of the Subscriber
Stewart Mmbaga P. O. Box 75314, DAR ES SALAAM	600	
Miss Kahuye Killo, P.O. Box 7642, DAR ES SALAAM	400	

Dated this 5<sup>th</sup> day of September 2007

Witness to the above signatures:

Signature: .....

Name: .....

Qualification: .....

*Joyce E. Maselle*  
*Notary Public*  
*Advocate*





# **STERAK BEVERAGES LIMITED**

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## **BUSINESS PLAN**

**2008**

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## EXECUTIVE SUMMARY

Sterak beverage Limited ( SBL ) is a relative newly established beverage company that was incorporated at the registrar of companies in September, 2007.

The company expects to engage in beverage processing, marketing and distribution around the country. Sterak beverages products will balance in health, enjoyment and refreshment for all beverage consumers. These products will be produced and delivered to customers with unmatched levels of high quality standards and customer service.

### PRODUCTS, SERVICES & DELIVERY

Initial plan is produce and distribute three types of purified water - ( still, flavored & sparkling ) waters. Other product lines incorporated in our product portfolio include, sugar - free fruit juices, energy drinks, dairy beverages and alcoholic drinks. All of these products will be launched into the market during expansion phase.

The company will use a combination of direct route distribution system and sales agents to reach and service the 3000 plus prospective customers in Dar es Salaam, Morogoro and Coast regions.

### THE MARKET

Sterak beverages Ltd will initially focus its efforts on serving the markets of Dar es Salaam, Coast and Morogoro before extending service to other regions of the country. This target market is currently consuming about 55% of all bottled water in the country, and has the highest per capita income than any other market in Tanzania. SBL is aiming to acquire 10% share in its target market within three years.

Sterak beverages will also target two distinct consumer segments namely;

**Water for thirst quenching group** ; this group is made up of consumers who buy bottled water solely for quenching their thirst. Water for thirst quenching group ( WTQG ) is growing at the rate of 14% and will be the largest segment with about 20,000 consumers during the first year of operation.

**Water for refreshment group ( WRG )** ; consumers in this group are defined as those who prefer quality bottled water for refreshment and enjoyment. WRG is especially attractive since none of the current market players was able to fully explore.

### MARKETING STRATEGIES & EXPANSION PLAN

In view of the competitive challenge ahead, Sterak beverages will equip itself ( materially and none materially ) to demonstrate its strength in providing high quality products at competitive prices and to quickly adopt to changes in the market.

Our marketing strategies will base on making the right products, services and information available to the right target market at the right time. Hence , we intend to implement a market penetration strategy that will ensure both the customers, consumers and the general public become aware of the existance of our company, products and services.

To meet this challenging objective we plan to effectively use all key media to ensure that the correct informative message reach out intended audience.

Our promotional strategy will involve intergrating advertising, events, personnel selling, public relations and direct marketing.

As we grow we want to grow right. The company intends to undertake organic expansion approach so as to be able to increase unit sales and market share by maximizing the potential of its resources.

## **THE ORGANIZATION**

It is important to recognize that, we do not intend that our tangible resources alone will make us potent competitor but more so our intangibles such as our ability to relate to consumers, management style, corporate culture and commitment. These elements will differentiate us from our competitors and contribute towards the development of a sustainable competitive advantage.

Our comprehensive management plan will ensure that, only the right talent individuals are hired, trained, retained and well compensated. Our management policies are designed to ensure equal opportunities to all while focusing on attaining optimum productivity and company goals.

The company will take community development, environmental improvement and consumer health very seriously. SBL expects to provide employment ( formal & informal ) to over 4000 Tanzanians within two years of its operation. This number will increase as the company grows and expand its operation around the country.

Our corporate responsibility has clearly stated the emphasis that our company will put towards improving the environment and health of our citizens so as to make Tanzania a better place to live.

## **FINANCIALS**

Sales will begin in January.2009 and with over Tshs.1,967,155,200 in sales by the end of 2009, we will see the first year net cash flows of Tshs.615,597,894

Our total investment capital is estimated at Tshs.494,496,856, out of which Tshs.122,895,500 will be spent on acquasition of plant & equipment the remaining amount will be used to purchase other company assets ie. Motor vehicles, office automation as well as to finance the initial operating expenses. Sterak beverages is currently seeking a short-term bank loan of Tshs.60,000,000. to fund for initial operating expenses.

## **COMPANY**

### **Legal structure**

Sterak beverages is a limited liability company that was incorporated at the register of companies on 17th.September.2007 and issued with a certificate of incorporation number 62080

The company will engage in processing, bottling, marketing and distribution of various kinds of beverage drinks, like purified water, sugar - free fruit juices, energy drinks, diary beverages and alcoholic drinks.

### **Company Location**

Sterak beverages' main processing facility and head office will be located at Kijitonyama area Plot number 01, Block 47C in Dar- es-Salaam city.

This location was choosen after a very careful consideration of the following factors;

- a. Proximity to the main road
- b. Availability of municipal water
- c. Security
- d. Lease terms and conditions
- e. Size of the facility
- f. General condition of the building

### **Ownership**

The company is wholly owned by two Tanzanians , Mr.Stewart Stephen Mmbaga and Miss Kahuye Killo Mr.Stewart is holding 60% stake of the company while Miss Killo has 40% shares.

Other investors from within and outside the country will be invited to join the company in a near feature.

### **Contact**

**Sterak Beverages Limited**  
Plot 1,Block 47C.Kijitonyama  
P.O.Box 75314  
Dar - es -Salaam.Tanzania  
Tel.+ 255 787 319266 or 715 319266  
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**Miss Kahuye Killo**  
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## **Vison**

To become a market leader with higher percentage share of throat.

Our vision will be attained by offering the market with various kinds of high quality beverages via the most effective distribution network.

## **Mission**

Produce products of uncompromised quality that will be made available to the needy consumers at the right time, price and place of their desire, while ensuring the company remain financially healthy for short and long term.

## **Objective**

- \* Provide products to our various target customers in the process fully satisfying their need.
- \* Seek fair and responsible profit enough to keep the company fiscally healthy for both its short and long term plans, and fairly compensate owners and investors for money and risk.
- \* Provide the best possible value to our consumers, by not only offering them fair prices, but also taking care of their health and refreshment needs. We want every shilling spent by consumers on our products to be well spent.
- \* To obtain ISO 9000 certification ( quality & manufacturing ) so that our products will be internationally recognized and approved. This will assist the company in penetration to the regional markets, the intention of which we have.
- \* Hire, develop, retain and well compensate talented individuals who will in turn spur innovation and creativity to the company.

## **VALUE PROPOSITION**

Our value proposition will focus in offering our customers refreshness and enjoyment at reasonable prices, ensuring peace of both mind and body.

Hence we intend to :

- \* Market the benefit not the product.
- \* Ensure customer satisfaction.
- \* Develop long - term relationship with investors, client and the community.
- \* Market the company.

This value proposition will be communicated through advertisement, personell selling, selling literatures and referrals that will emphasize how the company will be able to provide quality refreshment, enjoyment and fulfilment to customers, consumers and the community.

## PRODUCT AND SERVICES SUMMARY

Our long term product & services plan involve, production and distribution of various kinds of high quality beverage drinks such as bottled water, fruit juices, energy drinks,dairy beverages and alcoholic drinks. However, our immedate plan and sole focus of this business plan is bottled water products.

Sterak beverages plans to produce, pack and distribute three types of high quality bottled water ;

**a. Alaska stil water**

**b. Alaska flavored water**

**c. Alaska sparkling water**

Although our products will look the same as other products currently on the market, but the quality of Alaska brand will be very distinct from the rest because of the custom - engineered system that will be used in a purification process.

Our water purification system will incorporate 12 steps to ensure Alaska water absolute purity.

### PRODUCT DESCRIPTION

#### Alaska Still water

After undergoing a rigorous 12 step purification process, Alaska will be the most purest known still water on the market.This process will far exceeds TBS and WHO standards for bottled water.

Alaska still will be packed in 350ml, 500ml and 1000ml PET bottles.500ml and 1litre packages will readily be available in most retail stores around the market, 350ml package will be used for special marketing programs ie, ( taste-test ) or in selected markets.

#### Alaska Flavored water

Alaska flavored water will be a unique product and first of its kind on the market.It will use natural flavors ( Lemon, Orange,Rasberry ) etc and sugar-free sweeteners to provide a healthy, refreshing and tasteful beverage that will also have no color,calories or carbohydrates.

This sensational drink will be a true soda of the 21century.Alaska flavored drink will capitalize on the emerging niche market that comprises of consumers who prefer to quench their thirst refreshly or enjoy quality drinks healthily.

Alaska flavored water will be enjoyed in 350 and 500ml bottles.



**Healthy**  
water you  
need.

**Flavor** when  
you want.

**ALASKA FLAVORED WATER !!!!**

STERAK BEVERAGES LTD



## Alaska sparkling water

Alaska sparkling water will be slightly carbonated, enough to provide a pleasant and refreshing feeling to our consumers. Our market research revealed that, most of the clear carbonated products currently on the market ( Fanta club soda & krest evervest ) are heavily carbonated and tend to lose their carbonation quickly - right after being opened. Alaska sparkling water will be crafted to retain its carbonation for a long haul, and therefore provide refreshment to the last drop of it.

The use of screw caps to retain product's carbonation and having sparkling water packed in none returnable bottles in addition to its optimum level of carbonation, will surely give sterak product an edge over other competing products of its class

## **PACKAGING**

In view of the current and feature competition, Sterak beverages intends to use product packaging as a way to maximize Visio - impact of its products and to distinguish itself from other competitors. Our product packaging concept is carefully designed to provide the following benefits to our customers, consumers, environment and the company.

\* Attractiveness      \* Safety      \* Quality retaintation      \* Cost      \* Environmental friendl

## Package Features

### Bottles

Our bottles will appear in beautiful transparent round shaped with a provision for screw caps, and will come out in three different sizes - 350ml, 500ml and 1lt.

### Caps

Company plan to use 28mm flat screw caps that will fit into all three bottle sizes.

### Temper evidence seals

We will use high quality plastic materials that can easily be to tone - open ( in perforated areas ). All of Our temper evidence seals will be logo printed.

## Labels

We will use Polypropylene ( OPP ) stretch sleeve label materials that are water & weather resistant.

## WRAPPING SHRINK FILM

All of our products will be shrink-wrapped using logo printed PVC/ PE plastic films. This will offer advantages in three folds;

\* Easy Product Handling   \* Advertising   \* Product Quality retention

## **SERVICE**

### DELIVERY

We have identified a total of 3000 potential customers around Dar es Salaam, Morogoro and Coast Regions - the only markets that we intend to service during the 2008 - 2009 period. In order to effectively reach those customers, we will use direct route distribution system for the markets of Dar es Salaam and Coast regions. Morogoro market will initially be served through appointed sales Agents. Route distribution system will not only ensure regular and timely delivery to our customers but will also provide opportunity for direct interaction between customers and our salesmen.

### COOLING FACILITIES

Sterak beverages understands the importance of consumers having cold drinks especially in a humid Dar market. The company will invest in bottle coolers during the third year of its operation. Beautiful up - right coolers with glass panel in front will maximize ~~our~~ sales by enhancing visio - impact of our well merchandized products and through provision of chilled products to consumers.

### PLASTIC RECYCLING PROJECT

Sterak beverages is considering to invest in a PET recycling plant. Once in full operation, the project will help ordinary citizens to generate income by collecting used plastic bottles from the streets and sell them to us. Apart from generating employment / income to the people, the project will also help to make our environment much cleaner.

## MARKET ANALYSIS SUMMARY

Market for bottled water in Tanzania has been growing exponentially since the 1990's. Currently, Tanzania has a total of 38 locally produced water brands from one brand back in 1992 when the first water bottling operation started. ( according to Tanzania Bureau of Standards ). A primary drive towards this increase is cited to be , a continuous decline in consumer confidence in safety and quality of municipal water supplies and other social - economical factors.

According to the Journal of Water and Health - the demand for bottled water in Tanzania will continue to increase at the rate of 10 - 15 % a year for the next 25 years. Unproportionality between population surge and water and sanitary infrastructure are identified to be the key factors.

National wide trend is also evident in Dar es Salaam city, the center for business in the country with a population of about 2.5 million people. Population in Dar es Salaam is increasing at the rate of 4.4% slightly higher than the national average of 2%.

Dar es Salaam is also a home of about 57% of all bottled water companies in the country, and has the highest per capita water consumption in the country, estimated at ( 0.25 - 1.51 ) liters per day per person. This is significantly higher than an average value of about 0.231 per capita per day for European contries. ( **Ferrier, 2001** )

Consumer demand for bottled water in Dar es Salaam is estimated to be two times higher than the current supply of about 600,000 liters a day. Based on this ratio, the city will require additional supply of about 450,000 liters of bottled water each day to meet the current demand. The existence of such high demand for bottled water in Dar es Salaam and elsewhere around the country provides a great opportunity for Sterak beverages to enter and capitalize on the demand that has remained untapped , despite the presence of abundant bottled water suppliers around the country.

## MARKET SEGMENTATION

Sterak beverages will focus on health conscious and trendy individuals who prefer to have good quality and refreshing water for thirst quenching and refreshment. Our target market will therefore consist of two main groups;

### Water for thirst quenching group

This group consists of individuals who consume bottled water primarily for quenching their thirst. The thirst quenching group will make - up a majority portion of our potential consumers. Over 75% of the people covered during our market research indicated that, they usually buy bottled water for thirst quenching while the remaining 25% said they do so for refreshment and other purposes.

The importance of water in the human body cannot be overemphasized, according to Science Journals, over 70% of human body mass is made up of water and that a healthy human being requires at least 2 litres of water a day to remain healthy.

### Water for refreshment group

Consumers in this group are defined as healthy and trendy individuals who enjoy quality bottled water for refreshment. Either being alone, with family or in social gathering.

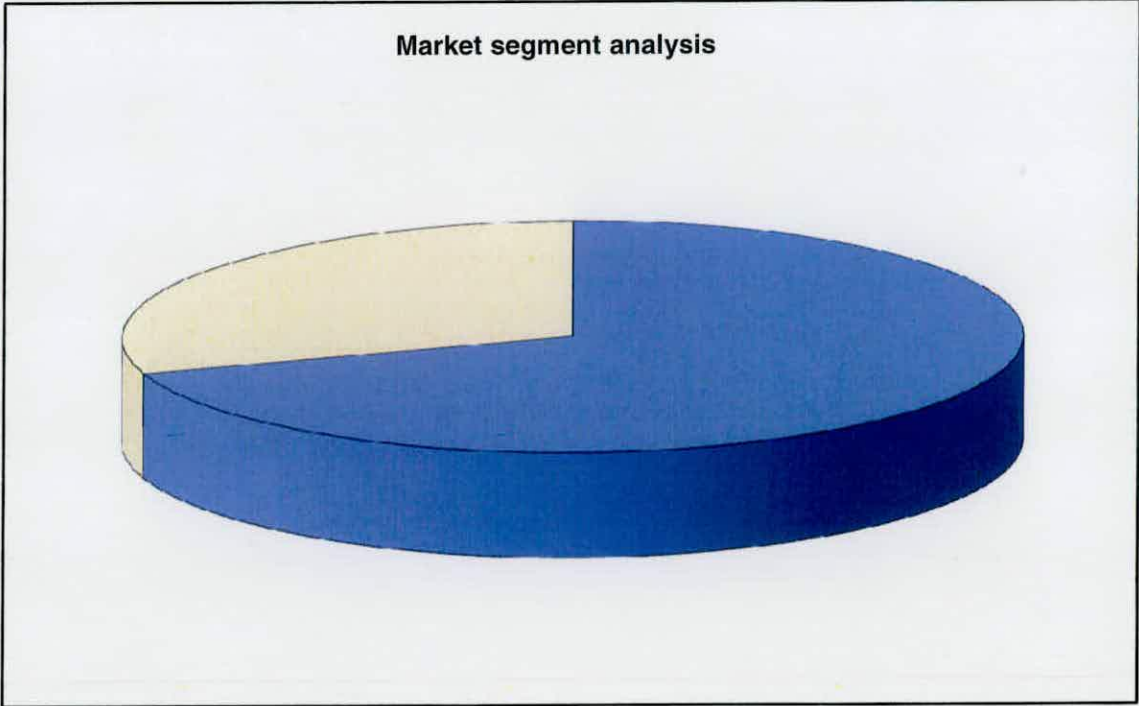
We are expecting that 30% of the total water consumers are belonging to this group. Water for refreshment group is growing very fast, however has remained to be the least fulfilled one in terms of need satisfaction. Sterak beverage Ltd will be the first company to come up with the very solution that this group needs.

## MARKET SEGMENT ANALYSIS CHART

Potential Customers	Contr.	2008	2009	2010	2011	2012
Water for Thirst group	70%	3000	3420	3898	4443	5065
Water for refreshment group	30%	0	1470	1670	1905	2170
Total	100%	3000	4890	5568	6348	7236

**CONSUMER SEGMENT CONTRIBUTION ANALYSIS**

segment	contribution
Water for thirst drinkers	70
Water for refreshment drinkers	30
Total	100



**LEGEND**

Water for thirst consumer segment



Water for refreshment consumer segment



## TARGET MARKET SEGMENT STRATEGY

Our target market strategy will base mainly on ;

- \* Make the right product available to the right target customers at the right time. With Flavored and Sparkling water on hand, Sterak beverages will be the first company on the market to recognize and satisfactorily meet the needs of the water for refreshment group.
- \* Make our product's prices fair and reasonable.
- \* Produce high quality products that will be appreciated by all first - time consumers and thus create repeated and loyal consumers.
- \* Effective use of marketing campaigns to create awareness of our company existence, our product and services that we offer.

## MARKET NEED AND TRENDS

Through our market research, we were able to identify the current and feature need of the bottled water market as:

- |                        |                        |                            |
|------------------------|------------------------|----------------------------|
| * Quality products     | * Attractive packaging | * Need satisfying products |
| * Product availability | * Reasonable price     | * Good customer service.   |

## WHAT STERAK IS INVESTING TO OFFER TO THE MARKET

After an extensive market research and close analysis of customer and consumer needs, Sterak beverages has developed a plan that will ensure that, all the current & feature needs of the market will be sufficiently meet through provision of the following services:

- \* Products of uncompromised quality.
- \* Variety of product offerings ( still , flavored and sparkling water ) that will provide consumers with wide spectrum of drinking choices, be ones for refreshment or thirst quenching.
- \* Extremely attractive product packaging.
- \* Reasonable prices.
- \* Friendly and professional customer services.

## **MARKET GROWTH**

The market for bottled water has been growing steadily each year. Every year, bottled water market has experienced sales growth of over 15%. This kind of growth makes bottled water the fastest growing product among beverage segment in the country.

The current demand for bottled water in Tanzania has surpasses the current supply by one to two ( 1 : 2 ). This is an indicative that, bottled water market in Tanzania is still having unstoppable opportunity for further growth for so many years to come.

## **INDUSTRY ANALYSIS**

Sterak beverages will compete in the beverage industry. In addition to compete with other water bottling companies, Sterak expects to face indirect competition from other beverage producers such as soft drinks, beer, Juices etc who are also fighting to acquire a piece of pie in this lucrative beverage market.

For many years, beverage industry in Tanzania has been dominated by two main products - soft drinks and beer. However, during the past 15 years, the dynamic of beverage consumption in the country have changed. We are now seeing a dramatic preferential shift towards more healthier and trendier drinks, such as bottled water, energy drinks, sugar - free juices and flavored milk. While sodas and beers are experiencing flat net sales growth, energy drinks and bottled water are achieving tremendous sales growth each year.

## MAIN COMPETITORS

During the first - five years, Sterak beverages will focus in serving the markets of Dar es Salaam, Coast and Morogoro. Expansion to other regions around the country will come after attaining satisfactory market share and sales from those regions.

Sterak plans to acquire 10% of the bottled water market share in Dar es salaam, Morogoro and Coast markets within the first three years of its operation. This will put the company into a direct competition with 15 other bottled water brands that are currently produced and marketed in those markets.

## PRODUCTS AVAILABLE IN OUR TARGET MARKET

* Kilimanjaro	* Dasani	* Uhai	* Masafi	* Maji Safi
* Best Drink	* Glacier	* Africa	* Maji Poa	* Furaha
* Safi	* Afrison	* Cool Blue	* Penguin	* Volcano

Of the 15 brands indicated above, Kilimanjaro, Dasani and Uhai are currently the major competitors. The three brands are estimated to hold a total of 70% of the bottled water market share.

## COMPETITORS STRENGTHS

- \* Established distribution network
- \* Strong Financial base
- \* Experienced Sales Staff
- \* Recognized brand names.

## COMPETITORS WEAKNESS

- \* High costs of operation, production and distribution
- \* Coca-cola has put two products ( Kilimanjaro / Dasani ) in the same market. These products cannibalize on each other apart from competing with products from other competing companies. This is considered to be the worst marketing strategy.
- \* Sub - standard product quality, many consumers consider the taste of Uhai products to be undesirable.
- \* High prices particularly that of Kilimanjaro and Dasani products.

## **SWOT ANALYSIS**

We are about to enter into a highly lucrative but competitive beverage market. We foresee our strength as the ability to respond quickly to what the market dictates and to provide quality products and services. In addition through aggressive marketing, innovative ideas and quality management, we intend to become well-respected and known entity in our respective industry.

Our key personnel (directors, Owners and consultants) have wide and thorough knowledge of the local beverage market. However, we acknowledge our weakness as a start-up company in the face of major competitors with a lot of market experience and a threat on new competition taking aim at our niche. Below are summarized Strengths, Weakness, Opportunities and Threats.

### **STRENGTHS**

- \* Strategic market segmentation and implementation plans.
- \* Diversified market segments, ensuring the lack of dependency on one particular market.
- \* Combination of skills in Directorship. The directors jointly develop business strategy and long term plans, having wide experience in beverage products and business know-how.
- \* An aggressive and focused marketing campaigns with clear goals and strategies.
- \* Strong product portfolio that will offer consumers with various beverage choices.

### **WEAKNESSES**

- \* Lack of reputation in comparison to our competitors.
- \* The introduction of new organizational practices and personnel who have not previously worked together presents a challenge to the company.
- \* A limited financial base compared to major players in the industry.

### **OPPORTUNITIES**

- \* Specific niche : - Health conscious consumers who appreciate high quality water for thirst quenching and refreshment.
- \* New generation of trendy individuals and families, with greater appreciation of attractive packaging.
- \* Health education. Many Tanzanians are becoming increasingly aware of the importance of drinking clean and quality water to quench their thirst against the old belief of using soft drinks for the same.
- \* The influx of tourist in the country will help to further develop the industry.
- \* The current drive by the Government to eradicate poverty will increase liquidity among people and thus more

## THREATS

\* The present growth in the market may result in market saturation through competition. This competition could emerge from variety of given sources including;

\* Product imitation

\* New market entrants

\* New market strategies

\* Change of the government policy that will make our product redundant.

\* Inflation.

## **STRATEGY AND IMPLEMENTATION SUMMARY**

Our strategy implementation will focus on serving a niche market with quality goods at an affordable price. Since we will be a new company with limited resources, our strategy implementation will take a very careful approach while trying to achieve the following goals.

- \* Build image awareness through consistency and distinctiveness in our product provision.
- \* Delivering quality products that will in turn produce good referrals, which will then help to generate revenue and loyal customers. We will always have heavy personal selling component to our marketing strategy.
- \* Effective advertising on all key media.
- \* Maintain good personal relationship with clients, strategic allies keeping abreast their needs and wants.

### **MARKETING STRATEGY**

The marketing strategy of Sterak beverages will center on creating corporate identity that will clearly differentiate it from competitors. Specific marketing strategies that will be used include;

#### **Advertising**

We will use key media ( Newspapers, Tv, Radio ) to create awareness of our existence, the product we produce and services we offer to the market. We have developed a media plan that outlines the type of media, the time that the company will use it and the cost projection per use.

Our advertising message will emphasize on the benefit of consuming our products ( refreshment, thirst quenching and value ).

Long - term advertising objective will be to promote repeated buying and instill brand loyalty.

#### **Trade Show**

Starting in 2009 operating year, the company will participate in all key local and national trade shows. Some of the trade shows that we plan to participate include, SabaSaba, Wakulima Day etc. Tradeshow participation will provide Sterak beverages with unique opportunity to show-case its products to the general public at the same time help it establish a Business to Business network.

#### **Word of Mouth**

This is one of the key and most effective way of marketing. Sterak beverages will be able to make effective use of this method of marketing by providing the first - time consumers & customers with the best quality product and services.

#### **Promotion**

We intend to use series of product promotions to entice both first-time consumers and repeated buyers. Our promotions will include, but not limited to free product sampling and instant prize offering.

## PRICING STRATEGY

Beverage customers and consumers are getting more sensitive to value. We will therefore ensure that our prices and services are perceived to be a good value in the market.

We will initially undercut our main competitors by ( 9% - 14% ) using a market penetration strategy, then the price will be adjusted to be directly competitive with other major market players.

We will also strive for a profit margin of 40% during the first-three years of operation, the rate will then be risen to 45%

### PRICING STRUCTURE ( Tsh./ Liter )

Production Cost	Tsh. 88.42
Vat ( 20% )	Tsh. 11.90
Sub total	Tsh.100.32
Other costs	Tsh.65.92
Profit margin ( 40.6%)	Tsh.113.76
<b>Rec.Price per liter</b>	<b>Tsh.280.00</b>

### COMPARATIVE PRICE STRUCTURE ( Tsh./ Liter )

BRAND	PACKAGE SIZE	PRICE/LT.	DEALER MARGIN	PRICE AT STORES
Kilimanjaro	1000ml	294	172.6	466.6
Uhai	1000ml	275	225	500
Alaska ( regular )	1000ml	280	220	500
Alaska ( launching )	1000ml	250	220	470

## DISTRIBUTION STRATEGY

Product distribution shall be of the utmost importance, as it will definitely influence our potential customers on whether to buy our products or not.

During the first five years, the company will focus in providing services to Dar es Saalam, Morogoro, Zanzibar and Coast regions markets. Our service will be expanded to other regions around the country after we have acquired satisfactory market share in those markets. We plan to acquire 10% of the shares in the markets of Dar es Salaam, Morogoro, Zanzibar and Coast region markets within three years of operation.

We have identified a total of 3000 potential customers in Dar es Salaam, Morogoro, Zanzibar and Coast regions. In order to effectively reach-out those customers, we plan to install direct route distribution system to the markets of Dar es Salaam and Coast Regions. Morogoro and Zanzibar markets will initially be served through appointed sales Agents.

According to our distribution plan, we will need to have at least 17 trucks to better serve the 2500 plus potential customers in Dar es Salaam and Coast region markets. The following tabulation shows our truck requirement plan.

MARKET	#. OF CUSTOMERS	ROUTE	#. OF TRUCKS
ILALA	1020	22	7
KINONDONI	880	18	6
TEMEKE	400	8	3
COAST REGION	100	2	1
<b>TOTAL</b>	<b>2500</b>	<b>50</b>	<b>17</b>

Our truck requirement plan is calculated based on the assumption that:

1. Each truck will be able to carry 300 cases or more of water.
2. Each truck will serve an average of 50 or more customers a day.
3. Average sales per outlet will be 5 - 6 cases per trip.
4. Each outlet will be served twice in a week.

## COMPETITIVE DISTRIBUTION COMPARISON - DAR MARKET

COMPANY	BRAND	CUSTOMERS	TRUCKS
Coca-Cola Kwanza	Kilimanjaro / Dasani	1,190	17
Bahresa	Uhai	2800	20
Sterak Beverages Ltd	Alaska	2500	17

### SALES STRATEGY

Success in sales is dependent on repeated business, therefore the sales strategy for Sterak beverages will base on personal, consistent sales calls with high emphasis on customer service and relations.

Because we will be new in the market, we understand that we will have to prove our worth to our customers in order to earn their respect and business. Our salesmen will make regular sales visits to both active and potential customers to review our product line and services, give them general information on our company and discuss how we feel we will be able to help them succeed in their business.

To fully serve our target market via route distribution system, we plan to start with 7 salesmen during early 2009, the number of salesmen will be raised to 17 by the end of 2009. Our salesmen will be responsible for providing full service and delivery to the market while displaying high levels of professionalism at all times.

### SALES PROGRAMS

**Consumers** ; We will develop sales programs that will focus in creating consumer awareness about the quality and value of our products hoping to encourage them to try out our products.

#### Program Information ;

- a. Undercut our product prices by ( 9% - 14% ) against competitor's during product launching.
- b. Instant price promotions
- c. Free product Testing

Period ; six months - two years

**Wholesalers and Retailers** ; We will also design sales programs that will specifically aim at encouraging both wholesalers and retailers to buy more of our products than those of competitors.

#### Program Information;

- a. Price Incentive
- b. Customer incentive programs (discounts on Quantity purchases ) etc
- c. Creating Pull buying by making our products most popular and highly demanded by consumers.

## SALES FORECAST

We currently forecast our monthly sales to be between ( 600,000 - 700,000 ) litres for the first two months. By Dec. 2009, we project our sales to increase by over 422% because of the introduction of two new products ( Alaska sparkling & Flavored ) waters and anticipated positive reaction from consumers about our products.

It should also be noted that, our sales will increase at a faster rate than the initial years as we become established and known on the market.

## MONTHLY SALES FORECAST - 2008

Product = Alaska Still Water

DETAIL	June	July	August	September	October	November	December
Unit sales in Litres	0	0	0	0	0	0	0
unit sales in ( Tsh. )	0	0	0	0	0	0	0
Total Sales ( Tsh.)	0.00	0.00	0.00	0.00	0	0	0
Unit Cost of Sales ( Tsh. )	0	0	0	0	0	0	0
Cost of Sales ( Tsh.)	0	0	0	0	0	0	0
Net Sales ( Tsh.)	NA	NA	NA	NA	NA	NA	NA

**ANNUAL SALES PLAN ( INDIVIDUAL PRODUCTS ) - ( 2008 - 2012 )**

DETAIL	2008	2009	2010	2011	2012
<b>Alaska Still Water</b>					
Unit Sales ( litres )	0	12,441,600	17,625,600	22,032,000	27,540,000
Price per Unit	0	280	280	280	280
Sales ( Tshs. )	0	3,483,648,000	4,935,168,000	6,168,960,000	7,711,200,000
Cost of Sales per Unit	0	128	128	128	128
Cost of Sales ( Tshs. )	0	1,592,524,800	2,256,076,800	2,820,096,000	3,525,120,000
<b>Net Sales</b>	<b>NA</b>	<b>1,891,123,200</b>	<b>2,679,091,200</b>	<b>3,348,864,000</b>	<b>41,186,080,000</b>

DETAIL	2008	2009	2010	2011	2012
<b>Alaska Flavored Water</b>					
Unit Sales ( litres )	0	345,600	5,875,200	8,225,280	11,515,392
Price per Unit	0	300	300	300	300
Sales ( Tshs. )	0	103,680,000	1,762,560,000	2,467,584,000	3,454,617,600
Cost of Sales per Unit	0	150	150	150	150
Cost of Sales ( Tshs. )	0	51,840,000	881,280,000	1,233,792,000	1,727,308,800
<b>Net Sales</b>	<b>NA</b>	<b>51,840,000</b>	<b>881,280,000</b>	<b>1,233,792,000</b>	<b>1,727,308,800</b>

DETAIL	2008	2009	2010	2011	2012
<b>Alaska Sparkling Water</b>					
Unit Sales ( litres )	0	172,800	2,937,600	3,818,880	4,964,544
Price per Unit	0	280	280	280	280
Sales ( Tshs. )	0	48,384,000	822,528,000	1,069,286,400	1,390,072,320
Cost of Sales per Unit	0	140	140	140	140
Cost of Sales ( Tshs. )	0	24,192,000	411,264,000	534,643,200	695,036,160
<b>Net Sales</b>	<b>NA</b>	<b>24,192,000</b>	<b>411,264,000</b>	<b>534,643,200</b>	<b>695,036,160</b>

**SALES PLAN SUMMARY ( 2008 - 2012 )**

Exchange rate = 1200

DETAIL	2008	2009	2010	2011	2012
<b>SALES</b>					
Alaska Still Water	NA	3,483,648,000	4,935,168,000	6,168,960,000	7,711,200,000
Alaska Flavored Water	NA	103,680,000	1,762,560,000	2,467,584,000	3,454,617,600
Alaska Sparkling Water	NA	48,384,000	822,528,000	1,069,286,400	1,390,072,320
Total Sales	NA	3,635,712,000	7,520,256,000	9,705,830,400	12,555,889,920
<b>DIRECT COST OF SALES</b>					
Alaska Still Water	NA	1,592,524,800	2,256,076,800	2,820,096,000	3,525,120,000
Alaska Flavored Water	NA	51,840,000	881,280,000	1,233,792,000	1,727,308,800
Alaska Sparkling Water	NA	24,192,000	441,264,000	534,643,200	695,036,160
Total Cost of Sales	NA	1,668,556,800	3,578,620,800	4,588,531,200	5,947,464,960
<b>NET SALES</b>	<b>NA</b>	<b>1,967,155,200</b>	<b>3,941,635,200</b>	<b>5,117,299,200</b>	<b>6,608,424,960</b>

( All sales in Tshs.)

## PRODUCTION PLAN SUMMARY

Our production system shall strive to attain service excellence in addition to manufacturing safety and quality products. This shall be undertaken through the engagement of modern techniques using up-to-date production technology. This will result in high production efficiency, low rate of wastage and cost being attained by the company.

### Production Objectives

Our production plan will focus on attaining the following key objectives;

- \* Quality products
- \* Production efficiency
- \* Low cost
- \* Low wastage
- \* Hygienic environment
- \* Environmental friend ness

### Production Facility

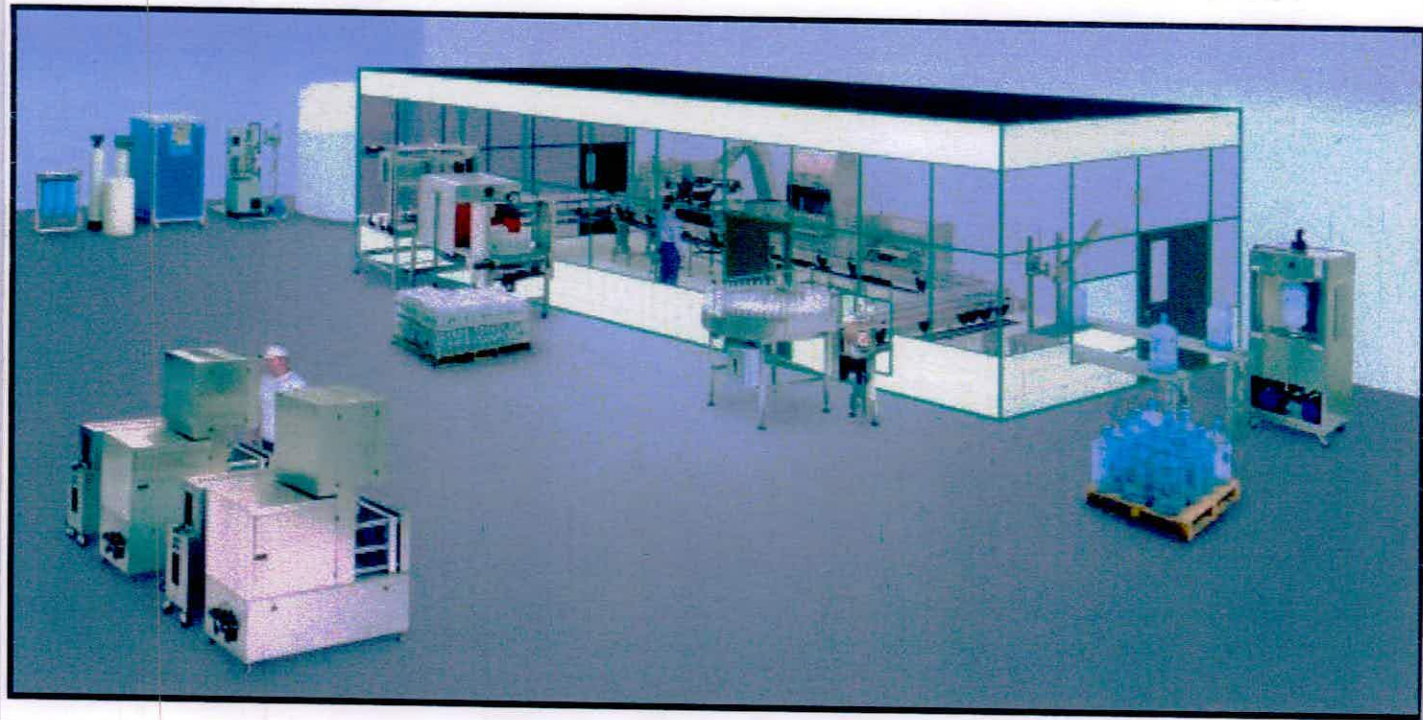
Sterak beverages aims at acquiring the ISO ( International Standard Organization ) certification for quality and manufacturing within three years of operation. The company is therefore intending to construct its production facility based on ISO standards which among other things require installation of a cleanroom in production area in order to provide clean environment during production process.

### What is a Cleanroom

Cleanroom is defined as a work or production area in which the air quality, temperature and humidity are highly regulated in order to protect products produced from contamination. Clean room can take any shape or form depending on the type of product produced.

The air in a cleanroom is repeatedly filtered to remove dust particles and other impurities that can contaminate products. The measure of the air quality of a clean room is described in ISO - 14644-1. Clean rooms are rated as " class 10,000 - where there exists no more than 10,000 particles larger than 0.5 microns in any given cubic foot of air ".

**BUILDING A WATER BOTTLING SYSTEM CLEAN ROOM**



## Production Process

Our production process will be divided into three key sections;

- a. Raw materials      b. Purification Process      c. Packing Process**

### Raw materials

Company will constantly and carefully monitor condition and quality of its raw materials before and during production in order to ensure that they are in compliance with the company quality standards. This stresses the importance of having proper inventory and quality production policies in place. Sterak beverages will adopt a FIFO ( First In First Out ) inventory system in order to ensure that the quality of its stocks are not compromised. The company will also install inline quality monitoring devices i.e. ( inflow TDS & PH ) meters at several levels of production process. This will help to check

**a. Water status as it passes through different levels of purification process**  
**b. Effectiveness of filters and other purification devices.**

The primary raw materials in our production operation will include, municipal water, PET bottles, bottle caps, labels and temper evidence cap - seals. Details of each one of these materials are given hereunder;

### Water

Sterak will use the most advanced water purification technology to remove every possible impurity found in municipal water including, arsenic, bacteria, fluoride, lead, MTBE and pesticides.

We will begin with regular tap water that measures approximately 130 particles per million ( PPM ) of total dissolved solids ( TDS ). At the end of our 9 step purification process, the TDS level will average 0.5 ppm, which will make Alaska the purest known bottled drinking water on the market.

### Water Analysis Chart

	PH	Turbidity ( fau )	TDS ( ppm )	EC ( ms/cm )	Color ( Pt/co )	No3 ( ppm )	Cl- ( ppm )
(kijitonyama area )							
municipal water	7.41	4.3 - 20	130	0.22	12.5	2.3	31.9
kilimanjaro water	7.69	2.5	105	0.23	2	3.6	31.9
uhai water	7.73	2	130	0.27	0	3.2	39
alaska water	7	0.5	0.5	0.2	0	0.2	30.2
WHO ( max.limit )	( 6.5 - 9.5 )	25	1500	3	50	1	600
TBS ( max.limit )	( 6.5 - 9.5 )	30	2000	3	50	1	600

## **Bottles**

Sterak will manufacture its own bottles in-house, using a state-of-the-art & user friendly blow molding machine - GRA - 811D that has the capacity of producing 5000 PET bottles per day. (based on 8 working hours) The GRA - 811D blow molding machine is using a new technology to process Pre-forms to amazing beautiful and durable bottles at a very marginal cost and low rate of wastage. With GRA - 811D, Sterak bev. will be able to maintain wastage at the rate of less than 0.5%

## **Advantages of manufacturing Bottles in - house Vs Buying Bottles**

\* Company will be able to serve an average of Tshs 84.00 per bottle. The average cost of buying bottle is standing at Tshs. 144.00 per bottle. This will make us a saving of about Tshs. 1,008,000 per day, based on a daily production of 12000 liters.

\* Blow molding bottles in - house will serve the company dearly on storage cost. Company will be able to manufacture the only right quantity required for production, whereas buying bottles usually involves huge quantities to be ordered at once which normally causes headache in storage space and cost.

\* Control over bottle quality will be made possible and easy if manufactured in - house.

## **Labels**

We will use Polypropylene ( OPP ) - Shrink roll - fed labels. Labels will be applied to the bottles by using an inline automatic shrinkable label machine which will be placed on the output conveyor of a filling machine ( GRA 12000 ) and will be able to label about 12000 bottles per hour.

## **Caps and Temper Evidence seals**

We will use 28mm flat screw caps in all bottle sizes ( 350ml, 500ml and 1000ml ). Caps and seals will be imported from overseas, meanwhile we have identified a number of reputable suppliers of caps & seals within the East and Southern Africa regions, communication with some of them are underway.

## **Purification Process**

The following is a detail description of each of Alaska 12- step purification process.

### Step 1 : Sand Filtration Treatment

Our complex purification process begin with a simple sand filtration that uses gravels, silica sands anthracites and different sizes of garnet to remove mud and sediment particles from water.

### Step 2 : Active Carbon Filtration

Granular activated carbon filtration is a highly porous organic absorber that removes contaminates such as chlorine and bromine from water. Chlorine can contribute to the undesirable taste and odor in water if not well checked.

### Step 3 : Five levels of Microfiltration

During this step water is passed through five levels of filters that have various sizes of micro - porous filters ( 5 - 0.5 microns ). The filters will remove particles according to their filter's size.

### Step 4 : Reverse Osmosis , First Pass

This first pass of reverse osmosis removes 99% of dissolved solids and results in reduced TDS from 300 ppm to 5 ppm. Ro is a process by which contaminates such as minerals are removed by passing water through special membrane.

### Step 5 : Reverse Osmosis, Second Pass

This second pass of reverse osmosis will reduce the water TDS reading to approximately 1.3 ppm.

### Step 6 : Deionization ( Water softener )

This is the process of removing ions, including minerals from water by passing it over a bed of resins. It is a process that creates a higher level of purity by removing ions that reverse osmosis was unable to remove. This process will reduce TDS level to approximately 0.8 ppm

### Step 7 : Ozonation

This is a chemical free disinfection process. Ozonation relies on Oxygen to ensure that purified water remains free from any possible microbiological contamination. During ozonation, a molecular Oxygen O<sub>2</sub> is converted to Ozone O<sub>3</sub> by using high voltage electricity charge. The O<sub>3</sub> is then circulated through water. This is the most effective disinfectant known in the water purification system. Sterak beverages will be the first company in the country to use this kind of disinfections technology.

#### Step 8 : Micro Filtration, Second Pass

The final microfiltration process comprises of two steps of filtration process where by water is passed through two blocks of filters each one with 0.5 micron capacity. This is another precautionary measure to protect our consumers from bacteria infection.

#### Step 9 : Active Carbon Filtration, Final Pass

Final step to ensure all odor and chemical contaminants are completely removed from water. At this stage, particles as small as 0.5 particles per million are removed.

#### Step 10 : UV treatment

At this step of the process, the water will pass through a special chamber which houses a large ultraviolet light source. This ultraviolet light acts as a powerful sterilizing agent. If any bacteria, viruses or other microbiological contaminants are present in the water, the ultraviolet light with this particular wavelength will destroy the genetic material within these organisms and thus eliminating the possibility of bacterial or viral reproduction and proliferation. The organism will quickly die and get captured and removed during the next final stage of reverse osmosis.

#### Step 11 : Reverse Osmosis ( final pass )

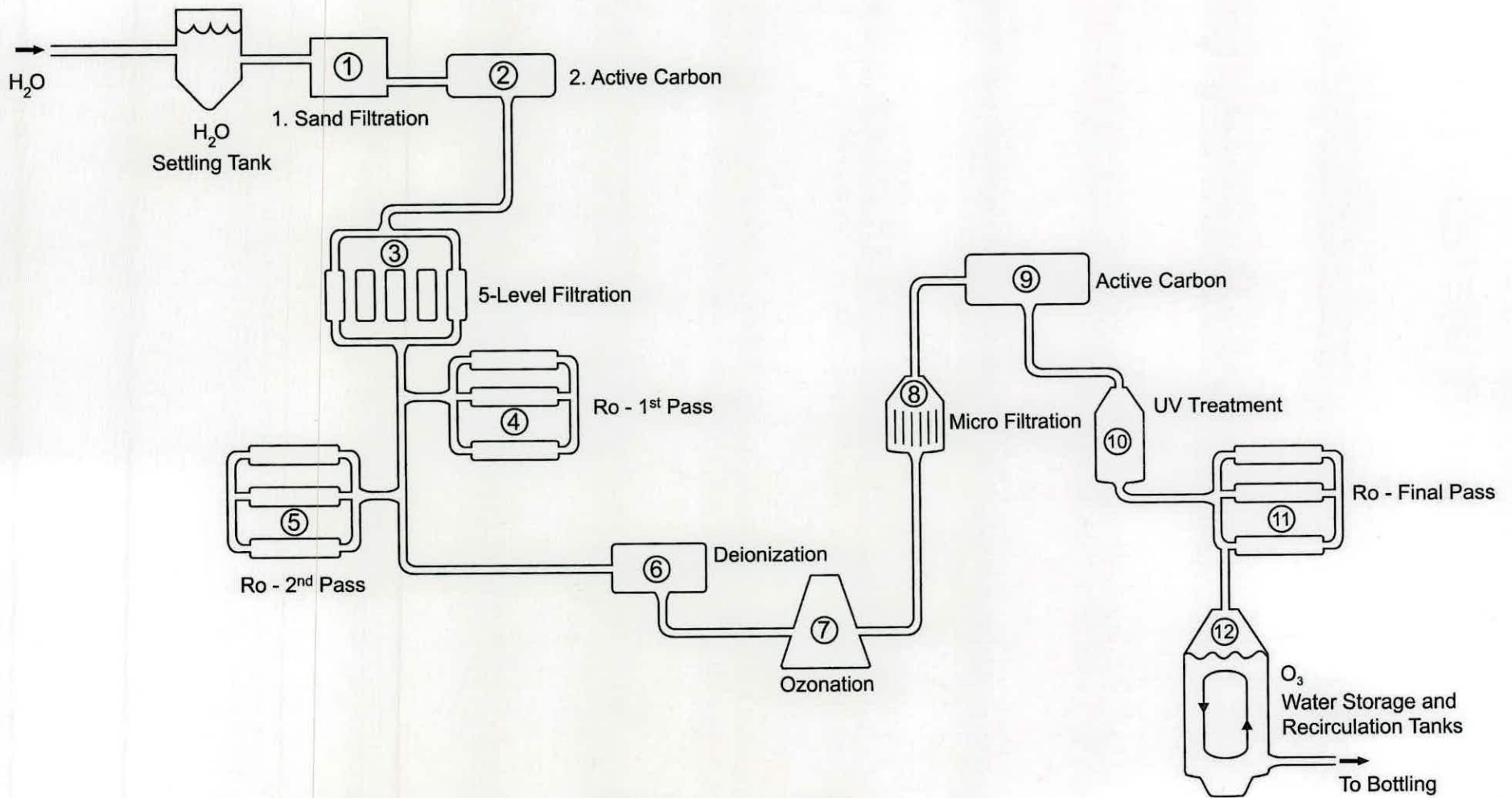
This is a final pass of reverse osmosis that is set to ensure that all contaminants are completely removed from water. This will be a precautionary step as most of the organisms or contaminants would be either killed or completely removed by the previous stages.

#### Step 12 : Storage and Recirculation

After the water has passed through the preceding 11 steps, it will then move into the storage and recirculation phase. Storage and recirculation system is designed so that Alaska water will retain its exceptionally high purity and will never come into contact with any materials or substances which can in any way compromise the quality of water. Sterak beverages' water will feature a storage system made entirely of stainless steel.

Alaska water will not simply sit in storage tanks after purification instead, the water will continuously travel through a recirculation loop. During recirculation, additional ozone will periodically be added to maintain the completely sterile and bacteria - free condition of the system

# WATER PURIFICATION PROCESS – 12 LEVELS FLOW CHART



## **Packaging Process**

### **Washing , Filling and Capping**

Our water packing process will begin with bottle washing, filling and capping. At Sterak beverages all three functions will be performed by a single machine **Momoblock ( CGX 24-24-8 )**.The CGX 24-24-8 machine uses the most advanced beverage packaging technology whereby approximately 10,000 bottles are automatically washed,rinsed,dried,filled and capped each hour.

### **Sensors**

The filled and capped bottles will then travel to the next stage of labeling through a series of inline sensors that will detect bottle leakages and presence of contaminants.Should any foreign matters be detected, the sensors will emit a loud alarm and instantenously stop the conveyer belt.

### **Labeling Stage**

At this stage of a process, labels and cap seals will be applied onto the bottles by using a shrinking process.Our system will use a GRA - 12000 machine which will have the capacity of labeling approx. 12000 bottles per hour.

### **Bottle Coding**

From the labeling stage, bottles will be ink - coded to indicate the batch number, production and expirely dates.

### **Case Wrapping stage**

This will be the final stage in our packaging process.At this stage, bottles will be collected into the pre - set format and configuration ( in 6's,12th or 24 ) pcs per case and get shrink wrapped using a heat and cooling process.

WATER PURIFICATION MACHINE



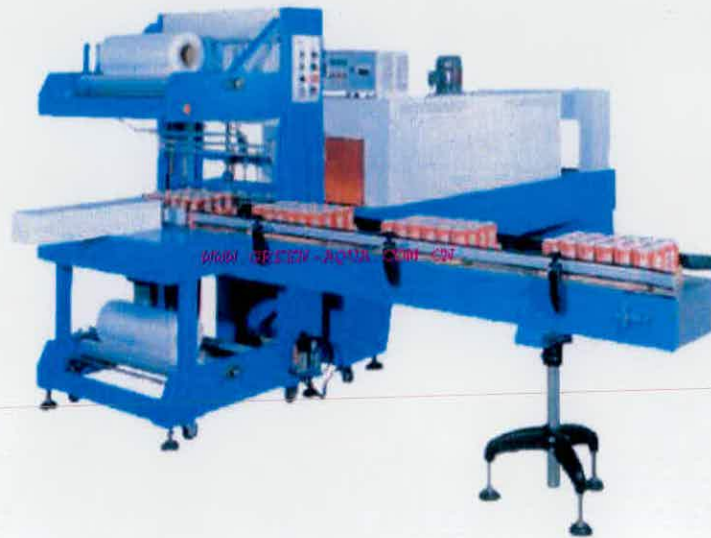
CGFr Series Rinsing Pressure Filling and Rotary Capping Combined Machine (With Air) Item Number: CGFr 16126/CGFR18186/CGFR24248



**BLOW MOLDING MACHINE ( GRA - 811D )**



**Automatic shrinking package machine**



## **Environmental Controls**

Sterak beverages will take environmental control very seriously. Some key environmental control steps that the company intends to implement are outlined hereunder;

### **Use of PET bottles**

The company will bottle all of its remarkable water in Polyethylene terephthalate ( PET ) plastic packages because, we believe it is the most responsible environmental choice than any other packaging materials. Compared to other plastics, PET is easily recyclable and has many post recycling uses. Also PET bottles require 24% less energy to produce, generate 40% less solid waste, and emit 46% less carbon during shipping than glass bottles.

Sterak beverages is considering to invest in a PET recycling plant that will help to reduce the problem of after - use bottle littering as well as to generate income to the people.

### **Production Waste**

Our production process will be environmentally - friendly, as such we will have a very insignificant amount of water wastage during our production process. The small amount of water that will be released as the result of bottle washing and rinsing, will be collected in special tanks and later be used for irrigating company landscape and other cleaning purposes.

Our entire water purification and packaging process will be chemical - free and thus no harmful materials will be damped out.

## MANAGEMENT SUMMARY

Sterak Beverages will build a strong and less hierarchical organization. The company is projecting to start with 46 employees, the number will be increased to 99 employees in year three of operation. Sterak beverages will take careful and thorough analysis of employee requirement of each department before reaching a hiring decision. This will help to keep overhead as low as possible.

The following management plan outlines a summarized information about our organization structure, management team, board of directors & advisors, a four year employment plan and corporate responsibility.

## ORGANIZATION STRUCTURE

The company will be organized into five main functional areas:

### 1. ADMINISTRATION 2. FINANCE 3. OPERATIONS 4. PRODUCTION 5. SALES & MARKETING

#### ADMINISTRATION

Administration department will comprise of the offices of the Managing director, Executive director and Human resources and public relations.

#### HUMAN RESOURCES & PUBLIC RELATIONS DEPARTMENT

The Human resources department will be responsible for the administration of a modern personnel merit system and effective personnel developmental programs consistent with applicable company policies.

Departmental head : Human Resources & Public Relations Manager  
Other personnel : HR coordinator, Loss prevention coordinator, Security guards, Messengers & cleaners

#### FINANCE DEPARTMENT

Finance department will include the accounting and cashier sections, and will be responsible for maintenance of the accounting system, the payroll system, the fixed asset system, reconciliation of bank accounts and preparation of various accounting and financial reports.

The department will also be responsible for management of all account receivables & payables as well as control of company expenditures.

Departmental Head : Finance Manager  
Other personnel : Accountant, Cashier

#### OPERATIONS DEPARTMENT

This department will be responsible for procurement of raw materials and other company needs, management of warehouses & maintenance of stock inventories and management of all company fleets.

The operations department will also be responsible for maintenance of good relationship with all company vendors.

Departmental Head : Operations Manager . Other personnel : Storekeeper

## SALES & MARKETING SERVICES DEPARTMENT

The functions of this department will be divided into two key areas:

**( a ) Sales**                      **( b ) Market Services**

### SALES DEPARTMENT

Sales department will deal with strategic sales planning and forecasting as well as coordination of sales activities ( meet customer demands, increase sales volumes, appointing sales agents, management of route distribution system ).

Departmental Head : Sales Manager

Other personnel : Salesmen, Area Sales supervisors, sales statistician, Salesmen helpers ( loaders )

### MARKET SERVICES DEPARTMENT

Market services department will work closely with sales department to identify customers / consumers needs and design strategic plans to meet those needs and wants.

However, the department will also deal with designing & managing execution of market programs, ie sales promotions, Advertising, Trade fairs etc.

Departmental Head : Market Services Manager

### PRODUCTION DEPARTMENT

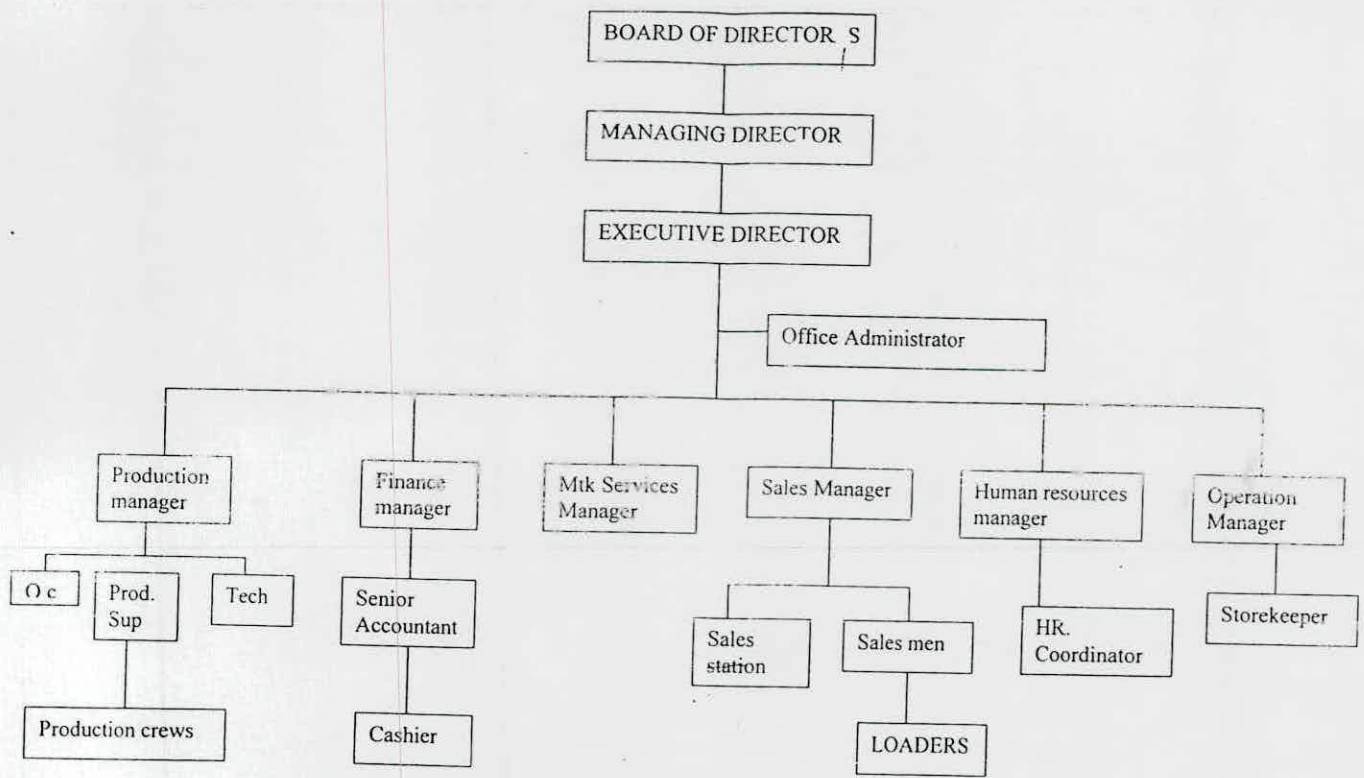
Management of a production process while maintaining efficient use of company resources and keeping abreast of product quality and environmental control will be the main task of this department.

Departmental Head : Production Manager

Other personnel : Production coordinator, Technical coordinator, Quality controller, production crews

This simple structure will promote a great deal of flexibility and will allow communication to disperse quickly and directly. Because of these characteristics, there will be few coordination problems at Sterak beverages that are common with larger organizational chains. This structure will enable Sterak beverages to react quickly to changes in the market.

\* All departmental heads will be reporting to the Managing Director.



## MANAGEMENT TEAM

Sterak beverages will have a very thin management team at inception. Our basic philosophy will be to run our executive management "lean and mean". This will mean that, we will have fewer management positions with broader responsibilities and make some of our managers wear more than one hat.

### Directorship

**Mr. Stewart Mmbaga**, MBA ( USA ) is a company managing director and will oversee all administrative and operative functions of the company. Mr Mmbaga has extensive experience in beverage marketing and general management acquired through long tenure with local, international and multinational companies. Among the few companies that Mr. Mmbaga had served in mid and higher managerial positions are Megatrade Investment ( TZ ), Coca - Cola Northern Africa Division ( Nairobi ), Fossil Inc ( USA ), Paciugo Inc. ( USA ) and Zales Corporation ( USA ). - ( CV attached ).

**Miss Kahuye Killo**, a holder of Associate degree in Human resource Management ( USA ) is an executive director who will focus more on human resource and Public relations issues. Miss Killo has held various key positions working with different companies here at home and abroad i.e. Agip ( T ) Limited and Presybretarian Hospital, Dallas, Texas ( USA ). Miss Killo had also worked with several none for profit organizations that helped to serve disadvantaged children in the United States. ( CV attached ).

## BOARD OF DIRECTORS AND ADVISORS

The board of directors will consist of :

### **Mr. Stewart Mmbaga - Board Chairman**

Mr. Mmbaga is currently a Managing Director of Sterak Beverages Limited and has an extensive experience in beverage marketing and general management which he acquired through a long tenure with local, international and multinational companies. Among the few companies that Mr. Mmbaga had served in mid and higher managerial positions are, Megatrade Investment ( Arusha ), Coca - Cola Northern Africa division ( Nairobi ), Fossil Inc. ( USA ), Paciugo ( USA ) and Zales Corporation ( USA )

**Contact : + 255 0787 319266**

### **Miss Kahuye Killo - Board Member**

Miss Killo is an executive director of Sterak Beverages Ltd, and has previously held various key positions working with different companies here at home and abroad i.e. Agip ( T ) Limited ( Tanzania ) and Presybretarian Hospital ( Dallas, Texas. USA )

**Contact - + 1 972 285 1973**

**Mr. Shaban S. Kakinga - Board Member**

Mr. Kakinga is a prominent businessman, a professional banker and a holder of higher qualification in materials management. Presently is working with m/s Transnational Investment Holding Company - EA Ltd as a company President.

**Contact - + 255 0754 686363**

**Mr. Alloyce Paul Maziku - Board Member**

A senior lecturer in the accounting and finance department under the faculty of commerce at the Mzumbe University. Mr. Maziku holds Msc. ( Finance Management ) from Glasgow Caledonian, UK. And has been involved quite extensively in consultancy and research activities in manufacturing firms, private organization, central and Local government in finance management for over 15 years.

**Contact - + 255 784 642999**

**Board of Advisors**

The advisory board will assist the company on key management decisions and long range planning functions. These are individuals with diverse knowledge in all operations and management functions.

Our advisory board members are ;

**Mr. Thomas Otieno**

A professional accountant and currently working as a compliance manager with Diamond Trust Bank in Dar es Salaam, Tanzania.

**Mr. Abel Minja**

A general manager with Mekonsult - certified Public Accountants in Dar es Salaam, Tanzania.

**Mr. Shawn Reynolds**

A specialist in water bottling technology at Water Event Solutions Inc. in Dallas, Texas, USA

**Mr. Josiah L. Moirana**

Sales Engineer ( water Division ) at Merrywater Ltd in Dar es Salaam, Tanzania.

**Demus Associates**

Certified Public Accountant & Tax consultant Firm

## MANAGEMENT AND PERSONNEL PLAN ( 2008 - 2011 )

POSITION	2008	2009	2010	2011	TOTAL
Managing Director	1	0	0	0	1
Executive Director	0	1	0	0	1
Operations Manager	1	0	0	0	1
Finance Manager	1	0	0	0	1
Production Manager	1	0	0	0	1
Sales Manager	1	0	0	0	1
Market Services Manager	1	0	0	0	1
HR. Manager	0	0	1	0	1
Senior Accountant	1	0	0	0	1
Accountant	0	0	1	0	1
Technical Supervisor	1	0	0	0	1
Production Supervisor	1	0	0	0	1
Quality Controller	1	0	0	0	1
HR. Coordinator	0	1	0	0	1
Loss Prevention coordinator	1	0	0	0	1
Salesman	7	7	3	0	17
Sales statistician	0	1	0	0	1
Store keeper	1	0	0	0	1
Office Administrative Assistant	1	0	0	0	1
Cashier	1	0	0	0	1

Technician	0	0	1	1	2
Security Guard	6	0	4	8	18
Production Crew	12	4	0	0	16
Sales Casual	7	7	3	0	17
Office Messenger	1	0	0	0	1
Area Sales supervisor ( up country - ZNZ,Morogoro )	0	1	0	0	1
Mini depot saleman	0	0	3	4	7
Tanker Driver	0	1	0	0	1
<b>TOTAL</b>	<b>46</b>	<b>23</b>	<b>16</b>	<b>13</b>	<b>99</b>

## Corporate Responsibility

Sterak's board, management and employees will be committed to the highest standards of corporate responsibility. Our approach to corporate responsibility is made up of five main components:

### 1. Business Standards and Ethics

The company business and ethical standards will be fundamental to how the company operates, and will include workplace policies, hiring, training, business guidelines, ethical and legal standards.

### 2. Corporate Governance

We will fully commit to governance policies and practices that will promote thoughtful and independent representation of shareholders interest.

### 3. Community

We will dedicate our effort to make the dreams of families and children a reality through public service initiatives, community outreach and volunteerism in the communities where we live and work around the country.

### 4. Sterak Environmentalty

The company will commit itself in balancing environmental stewardship with its corporate goals and operations nationwide.

### 5. Healthy and Hyginity

The healthy of our consumers will be of paramount importance as it is thus far become evident throughout our plan, the company has taken all steps necessary to ensure that neither the quality of raw materials nor the ones for finished products are compromised.

### 6. Employment

Sterak beverages will be an employment powerhouse. During the first three years of our operation alone, we will be able to provide employment to about 4000 Tanzanians. This will be a combination of both formal and informal employment.

# STERAK BEVERAGES LIMITED

## Annexure 1: INVESTMENT

### Plant and Equipment ITEM

ITEM	QTY	UNIT	COST	TOTAL
* Water Purification Plant ( RO - 10001 )	1	PC	75,500	75,500.00
* Monoblock wash,fill & capping machine ( CGX 24-24-8 )	1	PC	57,000	57,000.00
* Automatic Labelling machine ( GRA - 12000 )	1	PC	58,400	58,400.00
* Automatic Shrinkpacking machine ( ST - 603AF )	1	PC	38,000	38,000.00
* Automatic Ink-jet printing machine	1	PC	29,800	29,800.00
* Semi Automatic Blow-moulding machine ( GR - 811D )	1	PC	41,000	11,000.00
* Extra conveyor belt - 10' ft				
* Stainless Steel Tanks ( 50Tone )			299,700	269,700
Sub Total Equipments			15%	40,455.00
Equipments cost contingency ( 15% )				<b>310,155.00</b>
<b>Total Cost Production Equipments</b>				<b>403,201,500</b>
<b>Total Cost Production Equipments in TZS</b>				

## Annexure 2: Leased Land and Buildings

ITEM	COMPUTATION	AMOUNT
* Lease 3 months lease at TZS. 6,000,000/= per month		18,000,000.00
* Rennovation and Installation ( 50% of the lease amount )		3,000,000.00
<b>Sub Total Building</b>		<b>21,000,000.00</b>
Building cost contingency ( 15% )	15% x 21,000,000.00	3,150,000.00
<b>Total cost Building / Facility</b>		<b>24,150,000.00</b>

## Annexure 3: Motor Vehicles

ITEM	QTY	COST	TOTAL
Trucks (2 tons and up)	5	10,000	50,000
Pick Ups	3	10,000	30,000
Vehicle Sub Total			<b>80,000</b>
Vehicle Contigence 15%			12,000
Vehicle Total			92,000
Vehicle Total In TZS			<b>119,600,000</b>

## Annexure 4: Office Automation & Furniture

ITEM	QTY	COST	TOTAL
Desk Top Computers	0		10,000
Furnitures & Fittings	0		10,000
Office Automation Total			20,000
Office Automation Contigence			3,000
<b>Total</b>			<b>23,000</b>

**STERAK BEVERAGES LIMITED**

**Total Automation Cost**

**29,900,000**

**Annexure 5: Working Capital**

**Raw Materials**

ITEM	QTY	UNIT	COST	TOTAL
* Pre - Forms ( for PET bottles )	604,800	Ltrs	0.005	9,072
* Caps ( 28mm - Flat )	604,800	Ltrs	0.008	14,515
* Neck Sleeves	604,800	Ltrs	0.00015	272
* Labels	604,800	Ltrs	0.0005	907
* Shrinking Films ( Shrink wrapping cases	604,800	Ltrs	0.0066	11,975
Sub Total Raw materials				36,742
Raw materials contingency ( 15% )				5,511
<b>Total Cost Raw materials</b>				<b>42,253</b>
<b>Total Cost of Raw Materials in TZS</b>				<b>54,928,692</b>

**Other Operating Expenses**

ITEM	COMPUTATION	AMOUNT
* Marketing expenses	5,000,000.00 x 2 months	10,000,000
* Salaries & wages	11,750,000.00 x 2 months	23,500,000
* Company registration & legal fees	USD. 500 x 1200	600,000
* Statutory operating permits	USD. 1500 x 1200	1,800,000
* Company Logo design	USD. 500 x 1200	600,000
* Product label designs	USD 1000 x 3 brands x 1200	3,600,000
* Stationery design & printing	USD. 150 x 1200	180,000
* Production equipment installation cost	USD 50 x 3tech x 10 days + 3,600,000	5,400,000
* Bottle mould design and development	USD.500 x 3 bottle sizes (350,500,	1,800,000
* Consultation fees	USD.300 x 1200	360,000
* Directors Vehicle	USD.15,000.00 x 1200	18,000,000
<b>Total Other costs</b>		<b>65,840,000</b>

**TOTAL WORKING CAPITAL**

**120,768,692**

**TOTAL INVESTMENT**

**697,620,192**

**INVESTMENT SUMMARY**

**TZS**

Plant and Equipment	403,201,500
Leased Land & Buildings	24,150,000
Motor Vehicles	119,600,000
Office Automation & Furniture	29,900,000
Working Capital	120,768,692
<b>TOTAL INVESTMENT</b>	<b>697,620,192</b>

**STERAK BEVERAGES LIMITED**  
**P. O. BOX 75314, DAR ES SALAAM**

**Annexure 6: DEPRECIATION SCHEDULE**

	<b>COST PRICE</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>
Leased Land and Buildings	24,150,000	1,207,500	1,207,500	1,207,500	1,207,500	1,207,500
Plant and Machinery	403,201,500	50,400,188	50,400,188	50,400,188	50,400,188	50,400,188
Motor Vehicles	119,600,000	29,900,000	29,900,000	29,900,000	29,900,000	29,900,000
Office Automation, Furniture & Fittings	29,900,000	7,475,000	7,475,000	7,475,000	7,475,000	7,475,000
<b>TOTAL</b>	<b>576,851,500</b>	<b>88,982,688</b>	<b>88,982,688</b>	<b>88,982,688</b>	<b>88,982,688</b>	<b>88,982,688</b>

**Annexure 7: PRODUCTION COSTS**

<b>Particulars</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>
Stock of Materials and WIP at the beginning	-	152,666,231	120,461,558	57,505,043	57,505,043
Purchase of production Materials	708,601,848	1,822,103,424	2,581,313,184	2,581,313,184	2,839,444,502
VAT	118,100,308	303,683,904	430,218,864	430,218,864	473,240,750
Fuel and Lubricants	6,458,574	8,666,455	14,285,400	19,454,587	21,400,046
Spares and Consumables	24,535,840	26,568,798	17,466,588	18,141,383	19,955,521
Electricity	36,700,000	44,040,000	52,848,000	52,848,000	58,132,800
Depreciation of Machinery	30,058,125	24,277,779	19,731,579	9,413,389	10,354,728
Production Labour	120,000,000	150,000,000	170,000,000	170,000,000	187,000,000
Royalty	72,000,000	396,000,000	114,000,000	210,000,000	231,000,000
Manufacturing exps	-	-	500,000,000	459,254,430	505,179,873
Maintenance cost of Machinery	3,600,000	13,600,000	24,360,000	36,580,000	40,238,000
<b>TOTAL</b>	<b>1,120,054,695</b>	<b>2,941,606,591</b>	<b>4,044,685,173</b>	<b>4,044,728,880</b>	<b>4,443,451,264</b>
Stock and Work in Progress at the end of the year	152,666,231	120,461,558	57,505,043	57,548,750	86,323,125
<b>PRODUCTION COSTS</b>	<b>967,388,464</b>	<b>2,821,145,033</b>	<b>3,987,180,130</b>	<b>3,987,180,130</b>	<b>4,357,128,139</b>

**STERAK BEVERAGES LIMITED**  
**P. O. BOX 75314, DAR ES SALAAM**

**Annexure 8: ADMINISTRATIVE EXPENSES**

Particulars	2009	2010	2011	2012	2013
	TZS	TZS	TZS	TZS	TZS
Office-Utilities	10,084,500	11,254,800	12,548,790	13,567,400	14,924,140
Travel and Accomodation	1,235,640	2,703,890	2,505,410	1,503,246	1,653,571
Rent (Lease)	72,000,000	80,640,000	90,316,800	101,154,816	111,270,298
Distribution Cost ( fuel )	24,000,000	26,880,000	30,105,600	33,718,272	37,090,099
Maintance ( Trucks & vehicles )	12,000,000	13,440,000	15,052,800	16,859,136	18,545,050
Vehicle fuel cost	6,000,000	6,720,000	7,526,400	8,429,568	9,272,525
Transportation inwards	12,000,000	13,440,000	15,052,800	16,859,136	18,545,050
Business Promotion and Marketing	60,000,000	67,200,000	75,264,000	84,295,680	92,725,248
Insurance	3,600,000	4,032,000	4,515,840	5,057,741	5,563,515
Depreciation ( furniture )	12,000,000	13,440,000	15,052,800	16,859,136	18,545,050
Depreciation ( computers )	6,000,000	6,720,000	7,526,400	8,429,568	9,272,525
Other Admin. Overheads ( misc.)	18,000,000	20,160,000	22,579,200	25,288,704	27,817,574
Statutory levies	60,000,000	67,200,000	75,264,000	84,295,680	92,725,248
Tender documentation fees	1,325,400	1,724,580	1,918,700	2,110,570	2,321,627
Subscription fees	352,410	800,000	1,200,000	1,320,000	1,452,000
Printing and Stationaries	956,542	1,375,570	978,500	1,076,350	1,183,985
Business Licences and Related expens	968,570	980,300	1,165,175	1,281,693	1,409,862
Board meeting Expenses	732,450	930,030	1,140,000	1,254,000	1,379,400
Auditing and Accountancy Fees	250,000	700,000	1,400,000	1,540,000	1,694,000
Postage, Telephone, Fax etc	1,135,600	2,500,000	2,800,000	3,080,000	3,388,000
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>302,641,112</b>	<b>342,841,170</b>	<b>383,913,215</b>	<b>427,980,695</b>	<b>470,778,765</b>

**Annexure 9: OTHER EXPENSES**

Salaries and Wages	138,840,000	338,840,000	378,840,000	458,840,000	550,608,000.0
<b>TOTAL</b>	<b>138,840,000</b>	<b>338,840,000</b>	<b>378,840,000</b>	<b>458,840,000</b>	<b>550,608,000</b>

**Annexure 10: FINANCIAL EXPENSES**

Insurance premium	3,241,020	2,435,705	2,679,276	2,947,203	3,241,923
Bank charges	865,400	1,824,560	2,123,250	2,335,575	2,569,133
Technical professional services	1,356,200	5,923,560	7,462,120	8,208,332	9,029,165
<b>TOTAL</b>	<b>5,462,620</b>	<b>10,183,825</b>	<b>12,264,646</b>	<b>13,491,110</b>	<b>14,840,221</b>

**STERAK BEVERAGES LIMITED**

**PROJECTED INCOME STATEMENT**

	2009 TZS	2010 TZS	2011 TZS	2012 TZS	2013 TZS
<b>INCOME</b>					
Turnover	2,032,128,000	5,308,416,000	7,520,256,000	7,520,256,000	7,520,256,000
Production Costs	967,388,464	2,821,145,033	3,987,180,130	3,987,180,130	3,987,180,130
<b>GROSS PROFIT</b>	<b>1,064,739,536</b>	<b>2,487,270,967</b>	<b>3,533,075,870</b>	<b>3,533,075,870</b>	<b>3,533,075,870</b>
<b>LESS :OPERATING EXPENSES</b>					
Salaries and wages	138,840,000	338,840,000	378,840,000	458,840,000	550,608,000
Administrative expenses (v)	302,641,112	342,841,170	383,913,215	427,980,695	470,778,765
Financial expenses	5,462,620	10,183,825	12,264,646	13,491,110	14,840,221
Depreciation charged	88,982,688	88,982,688	88,982,688	88,982,688	88,982,688
<b>TOTAL OPERATING EXPENSES</b>	<b>535,926,420</b>	<b>780,847,683</b>	<b>864,000,548</b>	<b>989,294,493</b>	<b>1,125,209,673</b>
<b>NET PROFIT BEFORE TAX</b>	<b>528,813,117</b>	<b>1,706,423,284</b>	<b>2,669,075,322</b>	<b>2,543,781,377</b>	<b>2,407,866,196</b>
Provision for Tax	158,643,935	511,926,985	800,722,597	763,134,413	722,359,859
<b>NET PROFIT AFTER TAX</b>	<b>370,169,182</b>	<b>1,194,496,299</b>	<b>1,868,352,725</b>	<b>1,780,646,964</b>	<b>1,685,506,337</b>
Balance Brought Forward	370,169,182	1,564,665,480	3,433,018,206	5,213,665,169	6,899,171,507

**STERAK BEVERAGES LIMITED**

**PROJECTED BALANCE SHEET**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>
<b><u>ASSET EMPLOYED</u></b>					
Fixed Assets	487,868,813	398,886,125	309,903,438	220,920,750	131,938,063
<b><u>CURRENT ASSETS</u></b>					
Cash and Bank Balances	382,300,369	1,665,779,355	3,623,114,768	5,492,744,419	7,267,233,444
Other Current Assets	124,484,400	282,395,721	476,607,774	433,420,226	390,094,848
Stocks	80,615,705	235,095,419	332,265,011	332,265,011	332,265,011
<b>TOTAL CURRENT ASSETS</b>	<b>587,400,474</b>	<b>2,183,270,496</b>	<b>4,431,987,553</b>	<b>6,258,429,656</b>	<b>7,989,593,303</b>
<b>LESS: CURRENT LIABILITIES</b>					
Loan					
Trade Creditors	46,456,170	5,564,155	8,150,188	2,550,824	
Taxation account	158,643,935	511,926,985	800,722,597	763,134,413	722,359,859
<b>TOTAL CURRENT LIABILITIES</b>	<b>205,100,105</b>	<b>517,491,140</b>	<b>808,872,785</b>	<b>765,685,237</b>	<b>722,359,859</b>
<b>NET CURRENT ASSETS/LIABILITIES</b>	<b>382,300,369</b>	<b>1,665,779,356</b>	<b>3,623,114,769</b>	<b>5,492,744,419</b>	<b>7,267,233,444</b>
<b>TOTAL ASSETS</b>	<b>870,169,182</b>	<b>2,064,665,481</b>	<b>3,933,018,206</b>	<b>5,713,665,169</b>	<b>7,399,171,507</b>
<b>FINANCED BY:</b>					
Capital	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Retained Earnings	370,169,182	1,564,665,480	3,433,018,206	5,213,665,169	6,899,171,507
<b>TOTAL EQUITY</b>	<b>870,169,182</b>	<b>2,064,665,480</b>	<b>3,933,018,206</b>	<b>5,713,665,169</b>	<b>7,399,171,507</b>

**STERAK BEVERAGES LIMITED**

**CASH FLOW FORECAST**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>
<b>CASH INFLOWS</b>					
Net Profit	528,813,117	1,706,423,284	2,669,075,322	2,543,781,377	2,407,866,196
Adjust for Depreciation	88,982,688	88,982,688	88,982,688	88,982,688	88,982,688
Net Cash Flows from Operations	<b>617,795,804</b>	<b>1,795,405,972</b>	<b>2,758,058,009</b>	<b>2,632,764,064</b>	<b>2,496,848,884</b>
Equity	500,000,000				
Loans					
Total Cash Inflows	<b>1,117,795,804</b>	<b>1,795,405,972</b>	<b>2,758,058,009</b>	<b>2,632,764,064</b>	<b>2,496,848,884</b>
<b>CASH OUTFLOWS</b>					
Capital Expenditure	576,851,500				
Dividends					
Corporate Tax	158,643,935	511,926,985	800,722,597	763,134,413	722,359,859
Debt Servicing					
TOTAL CASH OUTFLOWS	<b>735,495,435</b>	<b>511,926,985</b>	<b>800,722,597</b>	<b>763,134,413</b>	<b>722,359,859</b>
Net Cash Flows	<b>382,300,369</b>	<b>1,283,478,986</b>	<b>1,957,335,413</b>	<b>1,869,629,651</b>	<b>1,774,489,025</b>
CUMMULATIVE NET CASH FLOWS	<b>382,300,369</b>	<b>1,665,779,355</b>	<b>3,623,114,768</b>	<b>5,492,744,419</b>	<b>7,267,233,444</b>

## MILESTONES

This table lists important program milestones, running from April, 2007 to June, 2010. The milestone schedule indicates our emphasis on planning for implementation.

ACTIVITY	PERIOD / TIME
* Market reserch,data analysis & compilation	April, 2007
* Business plan	August, 2007
* Licensing & incorporation	September, 2007
* Logo designs	September, 2007
* Bottle mold design	September, 2007
* Label design	December, 2007
* Supplier sourcing	January, 2008
* Bottle mold development	February, 2008
* Building / production facility sourcing & leasing	May, 2008
* Industrial license & certificate of incentive ( TIC )	May, 2008
* Secure finances	September, 2008
* Lease hold Improvement	September, 2008
* Production equipment acquisition	December,2008
* Distribution trucks acquisition	December, 2008
* Hire key personnel	January, 2009
* Equipment installation / trio production	January, 2009
* Hire , train staff	February, 2009
* <b>GRAND OPENING</b>	March, 2009
* Install carbonation & flavoring systems	December,2009
* New products launching	February,2010
* Distribution expansion.	June, 2010

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## EXECUTIVE SUMMARY

Sterak beverage Limited ( SBL ) is a relative newly established beverage company that was incorporated at the registrar of companies in September, 2007.

The company expects to engage in beverage processing, marketing and distribution around the country. Sterak beverages products will balance in health, enjoyment and refreshment for all beverage consumers. These products will be produced and delivered to customers with unmatched levels of high quality standards and customer service.

### PRODUCTS, SERVICES & DELIVERY

Initial plan is produce and distribute three types of purified water - ( still, flavored & sparkling ) waters. Other product lines incorporated in our product portfolio include, sugar - free fruit juices, energy drinks, dairy beverages and alcoholic drinks. All of these products will be launched into the market during expansion phase.

The company will use a combination of direct route distribution system and sales agents to reach and service the 3000 plus prospective customers in Dar es Salaam, Morogoro and Coast regions.

### THE MARKET

Sterak beverages Ltd will initially focus its efforts on serving the markets of Dar es Salaam, Coast and Morogoro before extending service to other regions of the country. This target market is currently consuming about 55% of all bottled water in the country, and has the highest per capita income than any other market in Tanzania. SBL is aiming to acquire 10% share in its target market within three years.

Sterak beverages will also target two distinct consumer segments namely;

**Water for thirst quenching group** ; this group is made up of consumers who buy bottled water solely for quenching their thirst. Water for thirst quenching group ( WTQG ) is growing at the rate of 14% and will be the largest segment with about 20,000 consumers during the first year of operation.

**Water for refreshment group ( WRG )** ; consumers in this group are defined as those who prefer quality bottled water for refreshment and enjoyment. WRG is especially attractive since none of the current market players was able to fully explore.

### MARKETING STRATEGIES & EXPANSION PLAN

In view of the competitive challenge ahead, Sterak beverages will equip itself ( materially and none materially ) to demonstrate its strength in providing high quality products at competitive prices and to quickly adopt to changes in the market.

Our marketing strategies will base on making the right products, services and information available to the right target market at the right time. Hence , we intend to implement a market penetration strategy that will ensure both the customers, consumers and the general public become aware of the existance of our company, products and services.

To meet this challenging objective we plan to effectively use all key media to ensure that the correct informative message reach out intended audience.

Our promotional strategy will involve intergrating advertising, events, personnel selling, public relations and direct marketing.

As we grow we want to grow right. The company intends to undertake organic expansion approach so as to be able to increase unit sales and market share by maximizing the potential of its resources.

## **THE ORGANIZATION**

It is important to recognize that, we do not intend that our tangible resources alone will make us potent competitor but more so our intangibles such as our ability to relate to consumers, management style, corporate culture and commitment. These elements will differentiate us from our competitors and contribute towards the development of a sustainable competitive advantage.

Our comprehensive management plan will ensure that, only the right talent individuals are hired, trained, retained and well compensated. Our management policies are designed to ensure equal opportunities to all while focusing on attaining optimum productivity and company goals.

The company will take community development, environmental improvement and consumer health very seriously. SBL expects to provide employment ( formal & informal ) to over 4000 Tanzanians within two years of its operation. This number will increase as the company grows and expand its operation around the country.

Our corporate responsibility has clearly stated the emphasis that our company will put towards improving the environment and health of our citizens so as to make Tanzania a better place to live.

## **FINANCIALS**

Sales will begin in January. 2009 and with over Tshs. 1,967,155,200 in sales by the end of 2009, we will see the first year net cash flows of Tshs. 615,597,894

Our total investment capital is estimated at Tshs. 494,496,856, out of which Tshs. 122,895,500 will be spent on acquisition of plant & equipment the remaining amount will be used to purchase other company assets ie. Motor vehicles, office automation as well as to finance the initial operating expenses. Sterak beverages is currently seeking a short-term bank loan of Tshs. 60,000,000. to fund for initial operating expenses.

## COMPANY

### Legal structure

Sterak beverages is a limited liability company that was incorporated at the register of companies on 17th.September.2007 and issued with a certificate of incorporation number 62680

The company will engage in processing, bottling, marketing and distribution of various kinds of beverage drinks, like purified water, sugar - free fruit juices, energy drinks, diary beverages and alcoholic drinks.

### Company Location

Sterak beverages' main processing facility and head office will be located at Kijitonyama area Plot number 01, Block 47C in Dar- es-Salaam city.

This location was chosen after a very careful consideration of the following factors;

- a. Proximity to the main road
- b. Availability of municipal water
- c. Security
- d. Lease terms and conditions
- e. Size of the facility
- f. General condition of the building

### Ownership

The company is wholly owned by two Tanzanians , Mr.Stewart Stephen Mmbaga and Miss Kahuye Killo Mr.Stewart is holding 60% stake of the company while Miss Killo has 40% shares.  
Other investors from within and outside the country will be invited to join the company in a near future.

### Contact

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## Vison

To become a market leader with higher percentage share of throat

Our vision will be attained by offering the market with various kinds of high quality beverages via the most effective distribution network.

## Mission

Produce products of uncompromised quality that will be made available to the needy consumers at the right time, price and place of their desire, while ensuring the company remain financially healthy for short and long term.

## Objective

- \* Provide products to our various target customers in the process fully satisfying their need.
- \* Seek fair and responsible profit enough to keep the company fiscally healthy for both its short and long term plans, and fairly compensate owners and investors for money and risk.
- \* Provide the best possible value to our consumers, by not only offering them fair prices, but also taking care of their health and refreshment needs. We want every shilling spent by consumers on our products to be well spent.
- \* To obtain ISO 9000 certification ( quality & manufacturing ) so that our products will be internationally recognized and approved. This will assist the company in penetration to the regional markets, the intention of which we have.
- \* Hire, develop, retain and well compensate talented individuals who will in turn spur innovation and creativity to the company.

## VALUE PROPOSITION

Our value proposition will focus in offering our customers refreshness and enjoyment at reasonable prices, ensuring peace of both mind and body.

Hence we intend to :

- \* Market the benefit not the product.
- \* Ensure customer satisfaction.
- \* Develop long - term relationship with investors, client and the community.
- \* Market the company.

This value proposition will be communicated through advertisement, personnel selling, selling literatures and referrals that will emphasize how the company will be able to provide quality refreshment, enjoyment and fulfilment to customers, consumers and the community.

## PRODUCT AND SERVICES SUMMARY

Our long term product & services plan involve, production and distribution of various kinds of high quality beverage drinks such as bottled water, fruit juices, energy drinks,dairy beverages and alcoholic drinks. However, our immedate plan and sole focus of this business plan is bottled water products.

Sterak beverages plans to produce, pack and distribute three types of high quality bottled water ;

- a. Alaska stil water**
- b. Alaska flavored water**
- c. Alaska sparkling water**

Although our products will look the same as other products currently on the market, but the quality of Alaska brand will be very distinct from the rest because of the custom - engineered system that will be used in a purification process.

Our water purification system will incorporate 12 steps to ensure Alaska water absolute purity.

### PRODUCT DESCRIPTION

#### Alaska Still water

After undergoing a rigorous 12 step purification process, Alaska will be the most purest known still water on the market.This process will far exceeds TBS and WHO standards for bottled water.

Alaska still will be packed in 350ml, 500ml and 1000ml PET bottles.500ml and 1litre packages will readily be available in most retail stores around the market, 350ml package will be used for special marketing programs ie, ( taste-test ) or in selected markets.

#### Alaska Flavored water

Alaska flavored water will be a unique product and first of its kind on the market.It will use natural flavors ( Lemon, Orange,Rasberry ) etc and sugar-free sweeteners to provide a healthy, refreshing and tasteful beverage that will also have no color,calories or carbohydrates.

This sensational drink will be a true soda of the 21centrury.Alaska flavored drink will capitalize on the emerging niche market that comprises of consumers who prefer to quench their thirst refreshly or enjoy quality drinks healthily.

Alaska flavored water will be enjoyed in 350 and 500ml bottles.



**Healthy**  
water you  
need.

**Flavor** when  
you want.

**ALASKA FLAVORED WATER !!!!**

STERAK BEVERAGES LTD



## Alaska sparkling water

Alaska sparkling water will be slightly carbonated, enough to provide a pleasant and refreshing feeling to our consumers. Our market research revealed that, most of the clear carbonated products currently on the market ( Fanta club soda & krest evervest ) are heavily carbonated and tend to lose their carbonation quickly - right after being opened. Alaska sparkling water will be crafted to retain its carbonation for a long haul, and therefore provide refreshment to the last drop of it.

The use of screw caps to retain product's carbonation and having sparkling water packed in none returnable bottles in addition to its optimum level of carbonation, will surely give sterak product an edge over other competing products of its class

## **PACKAGING**

In view of the current and future competition, Sterak beverages intends to use product packaging as a way to maximize Visio - impact of its products and to distinguish itself from other competitors. Our product packaging concept is carefully designed to provide the following benefits to our customers, consumers, environment and the company.

\* Attractiveness      \* Safety      \* Quality retaintation      \* Cost      \* Environmental friendl

## Package Features

### Bottles

Our bottles will appear in beautiful transparent round shaped with a provision for screw caps, and will come out in three different sizes - 350ml, 500ml and 1lt.

### Caps

Company plan to use 28mm flat screw caps that will fit into all three bottle sizes.

### Temper evidence seals

We will use high quality plastic materials that can easily be to tone - open ( in perforated areas ). All of Our temper evidence seals will be logo printed.

### Labels

We will use Polypropylene ( OPP ) stretch sleeve label materials that are water & weather resistant.

### WRAPPING SHRINK FILM

All of our products will be shrink-wrapped using logo printed PVC/ PE plastic films. This will offer advantages in three folds;

\* Easy Product Handling   \* Advertising   \* Product Quality retention

### **SERVICE**

#### DELIVERY

We have identified a total of 3000 potential customers around Dar es Salaam, Morogoro and Coast Regions - the only markets that we intend to service during the 2008 - 2009 period.

In order to effectively reach those customers, we will use direct route distribution system for the markets of Dar es Salaam and Coast regions. Morogoro market will initially be served through appointed sales Agents. Route distribution system will not only ensure regular and timely delivery to our customers but will also provide opportunity for direct interaction between customers and our salesmen.

#### COOLING FACILITIES

Sterak beverages understands the importance of consumers having cold drinks especially in a humid Dar market. The company will invest in bottle coolers during the third year of its operation. Beautiful up - right coolers with glass panel in front will maximize our sales by enhancing visio - impact of our well merchandized products and through provision of chilled products to consumers.

#### PLASTIC RECYCLING PROJECT

Sterak beverages is considering to invest in a PET recycling plant. Once in full operation, the project will help ordinary citizens to generate income by collecting used plastic bottles from the streets and sell them to us. Apart from generating employment / income to the people, the project will also help to make our environment much cleaner.

## MARKET ANALYSIS SUMMARY

Market for bottled water in Tanzania has been growing exponentially since the 1990's. Currently, Tanzania has a total of 38 locally produced water brands from one brand back in 1992 when the first water bottling operation started. ( according to Tanzania Bureau of Standards ).

A primary drive towards this increase is cited to be , a continuous decline in consumer confidence in safety and quality of municipal water supplies and other social - economical factors.

According to the Journal of Water and Health - the demand for bottled water in Tanzania will continue to increase at the rate of 10 - 15 % a year for the next 25 years. Unproportionality between population surge and water and sanitary infrastructure are identified to be the key factors.

National wide trend is also evident in Dar es Salaam city, the center for business in the country with a population of about 2.5 million people. Population in Dar es Salaam is increasing at the rate of 4.4% slightly higher than the national average of 2%.

Dar es Salaam is also a home of about 57% of all bottled water companies in the country, and has the highest per capita water consumption in the country, estimated at ( 0.25 - 1.51 ) liters per day per person. This is significantly higher than an average value of about 0.231 per capita per day for European contries. ( **Ferrier, 2001** )

Consumer demand for bottled water in Dar es Salaam is estimated to be two times higher than the current supply of about 600,000 liters a day. Based on this ratio, the city will require additional supply of about 450,000 liters of bottled water each day to meet the current demand. The existence of such high demand for bottled water in Dar es Salaam and elsewhere around the country provides a great opportunity for Sterak beverages to enter and capitalize on the demand that has remained untapped , despite the presence of abundant bottled water suppliers around the country.

## MARKET SEGMENTATION

Sterak beverages will focus on health conscious and trendy individuals who prefer to have good quality and refreshing water for thirst quenching and refreshment. Our target market will therefore consist of two main groups.

### Water for thirst quenching group

This group consists of individuals who consume bottled water primarily for quenching their thirst. The thirst quenching group will make up a majority portion of our potential consumers. Over 75% of the people covered during our market research indicated that they usually buy bottled water for thirst quenching while the remaining 25% said they do so for refreshment and other purposes. The importance of water in the human body cannot be overemphasized, according to Science Journals, over 70% of human body mass is made up of water and that a healthy human being requires at least 2 litres of water a day to remain healthy.

### Water for refreshment group

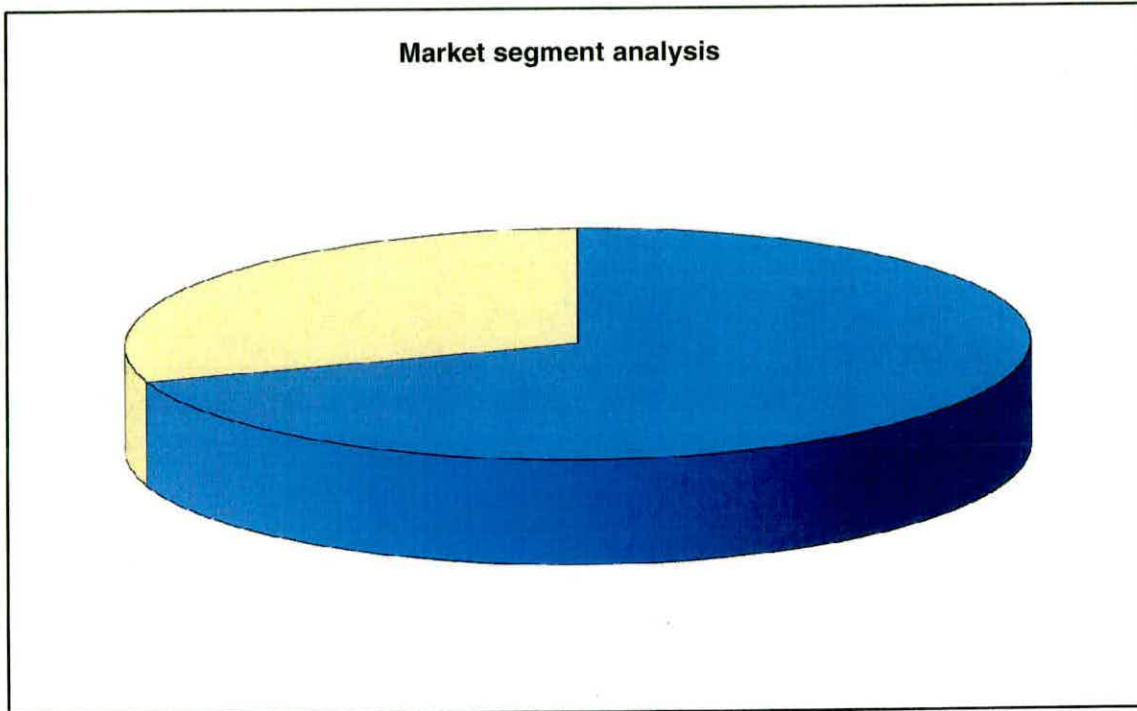
Consumers in this group are defined as healthy and trendy individuals who enjoy quality bottled water for refreshment. Either being alone, with family or in social gathering. We are expecting that 30% of the total water consumers are belonging to this group. Water for refreshment group is growing very fast, however has remained to be the least fulfilled one in terms of need satisfaction. Sterak beverage Ltd will be the first company to come up with the very solution that this group needs.

## MARKET SEGMENT ANALYSIS CHART

Potential Customers	Cont:	2008	2009	2010	2011	2012
Water for Thirst group	70%	3000	3420	3898	4443	5065
Water for refreshment group	30%	0	1470	1670	1905	2170
Total	100%	3000	4890	5568	6348	7236

### CONSUMER SEGMENT CONTRIBUTION ANALYSIS

segment	contribution
Water for thirst drinkers	70
Water for refreshment drinkers	30
Total	100



#### LEGEND

Water for thirst consumer segment



Water for refreshment consumer segment



## TARGET MARKET SEGMENT STRATEGY

Our target market strategy will base mainly on ;

- \* Make the right product available to the right target customers at the right time. With Flavored and Sparkling water on hand, Sterak beverages will be the first company on the market to recognize and satisfactorily meet the needs of the water for refreshment group.
- \* Make our product's prices fair and reasonable.
- \* Produce high quality products that will be appreciated by all first - time consumers and thus create repeated and loyal consumers.
- \* Effective use of marketing campaigns to create awareness of our company existence, our product and services that we offer.

## MARKET NEED AND TRENDS

Through our market research, we were able to identify the current and feature need of the bottled water market as:

- \* **Quality products**
- \* **Attractive packaging**
- \* **Need satisfying products**
- \* **Product availability**
- \* **Reasonable price**
- \* **Good customer service.**

## WHAT STERAK IS INVESTING TO OFFER TO THE MARKET

After an extensive market research and close analysis of customer and consumer needs, Sterak beverages has developed a plan that will ensure that, all the current & feature needs of the market will be sufficiently meet through provision of the following services:

- \* **Products of uncompromised quality.**
- \* **Variety of product offerings ( still , flavored and sparkling water ) that will provide consumers with wide spectrum of drinking choices, be ones for refreshment or thirst quenching.**
- \* **Extremely attractive product packaging.**
- \* **Reasonable prices.**
- \* **Friendly and professional customer services.**

## MARKET GROWTH

The market for bottled water has been growing steadily each year. Every year, bottled water market has experienced sales growth of over 15%. This kind of growth makes bottled water the fastest growing product among beverage segment in the country.

The current demand for bottled water in Tanzania has surpassed the current supply by one to two ( 1 : 2 ). This is an indicative that, bottled water market in Tanzania is still having unstoppable opportunity for further growth for so many years to come.

## INDUSTRY ANALYSIS

Sterak beverages will compete in the beverage industry. In addition to compete with other water bottling companies, Sterak expects to face indirect competition from other beverage producers such as soft drinks, beer, Juices etc who are also fighting to acquire a piece of pie in this lucrative beverage market.

For many years, beverage industry in Tanzania has been dominated by two main products - soft drinks and beer. However, during the past 15 years, the dynamic of beverage consumption in the country have changed. We are now seeing a dramatic preferential shift towards more healthier and trendier drinks, such as bottled water, energy drinks, sugar - free juices and flavored milk. While sodas and beers are experiencing flat net sales growth, energy drinks and bottled water are achieving tremendous sales growth each year.

## MAIN COMPETITORS

During the first - five years, Sterak beverages will focus in serving the markets of Dar es Salaam, Coast and Morogoro. Expansion to other regions around the country will come after attaining satisfactory market share and sales from those regions.

Sterak plans to acquire 10% of the bottled water market share in Dar es salaam, Morogoro and Coast markets within the first three years of its operation. This will put the company into a direct competition with 15 other bottled water brands that are currently produced and marketed in those markets.

## PRODUCTS AVAILABLE IN OUR TARGET MARKET

* Kilimanjaro	* Dasani	* Uhai	* Masafi	* Maji Safi
* Best Drink	* Glacier	* Africa	* Maji Poa	* Furaha
* Safi	* Afrison	* Cool Blue	* Penguin	* Volcano

Of the 15 brands indicated above, Kilimanjaro, Dasani and Uhai are currently the major competitors. The three brands are estimated to hold a total of 70% of the bottled water market share.

## COMPETITORS STRENGTHS

- \* Established distribution network
- \* Strong Financial base
- \* Experienced Sales Staff
- \* Recognized brand names.

## COMPETITORS WEAKNESS

- \* High costs of operation, production and distribution
- \* Coca-cola has put two products ( Kilimanjaro / Dasani ) in the same market. These products cannibalize on each other apart from competing with products from other competing companies. This is considered to be the worst marketing strategy.
- \* Sub - standard product quality, many consumers consider the taste of Uhai products to be undesirable.
- \* High prices particularly that of Kilimanjaro and Dasani products.

## **SWOT ANALYSIS**

We are about to enter into a highly lucrative but competitive beverage market. We foresee our strength as the ability to respond quickly to what the market dictates and to provide quality products and services. In addition through aggressive marketing, innovative ideas and quality management, we intend to become well-respected and known entity in our respective industry.

Our key personnel (directors, Owners and consultants) have wide and thorough knowledge of the local beverage market. However, we acknowledge our weakness as a start-up company in the face of major competitors with a lot of market experience and a threat on new competition taking aim at our niche. Below are summarized Strengths, Weakness, Opportunities and Threats.

### **STRENGTHS**

- \* Strategic market segmentation and implementation plans.
- \* Diversified market segments, ensuring the lack of dependency on one particular market.
- \* Combination of skills in Directorship. The directors jointly develop business strategy and long term plans, having wide experience in beverage products and business know-how.
- \* An aggressive and focused marketing campaigns with clear goals and strategies.
- \* Strong product portfolio that will offer consumers with various beverage choices.

### **WEAKNESSES**

- \* Lack of reputation in comparison to our competitors.
- \* The introduction of new organizational practices and personnel who have not previously worked together presents a challenge to the company.
- \* A limited financial base compared to major players in the industry.

### **OPPORTUNITIES**

- \* Specific niche : - Health conscious consumers who appreciate high quality water for thirst quenching and refreshment.
- \* New generation of trendy individuals and families, with greater appreciation of attractive packaging.
- \* Health education. Many Tanzanians are becoming increasingly aware of the importance of drinking clean and quality water to quench their thirst against the old belief of using soft drinks for the same.
- \* The influx of tourist in the country will help to further develop the industry.
- \* The current drive by the Government to eradicate poverty will increase liquidity among people and thus more

## THREATS

\* The present growth in the market may result in market saturation through competition. This competition could emerge from variety of given sources including;

\* Product imitation

\* New market entrants

\* New market strategies

\* Change of the government policy that will make our product redundant.

\* Inflation.

## STRATEGY AND IMPLEMENTATION SUMMARY

Our strategy implementation will focus on serving a niche market with quality goods at an affordable price. Since we will be a new company with limited resources, our strategy implementation will take a very careful approach while trying to achieve the following goals.

- \* Build image awareness through consistency and distinctiveness in our product provision.
- \* Delivering quality products that will in turn produce good referrals, which will then help to generate revenue and loyal customers. We will always have heavy personal selling component to our marketing strategy.
- \* Effective advertising on all key media.
- \* Maintain good personal relationship with clients, strategic allies keeping abreast their needs and wants.

### MARKETING STRATEGY

The marketing strategy of Sterak beverages will center on creating corporate identity that will clearly differentiate it from competitors. Specific marketing strategies that will be used include;

#### Advertising

We will use key media ( Newspapers, Tv, Radio ) to create awareness of our existence, the product we produce and services we offer to the market. We have developed a media plan that outlines the type of media, the time that the company will use it and the cost projection per use.

Our advertising message will emphasize on the benefit of consuming our products ( refreshment, thirst quenching and value ).

Long - term advertising objective will be to promote repeated buying and instill brand loyalty.

#### Trade Show

Starting in 2009 operating year, the company will participate in all key local and national trade shows.

Some of the trade shows that we plan to participate include, SabaSaba, Wakulima Day etc.

Tradeshaw participation will provide Sterak beverages with unique opportunity to show-case its products to the general public at the same time help it establish a Business to Business network.

#### Word of Mouth

This is one of the key and most effective way of marketing. Sterak beverages will be able to make effective use of this method of marketing by providing the first - time consumers & customers with the best quality product and services.

#### Promotion

We intend to use series of product promotions to entice both first-time consumers and repeated buyers. Our promotions will include, but not limited to free product sampling and instant prize offering.

## PRICING STRATEGY

Beverage customers and consumers are getting more sensitive to value. We will therefore ensure that our prices and services are perceived to be a good value in the market.

We will initially undercut our main competitors by ( 9% - 14% ) using a market penetration strategy, then the price will be adjusted to be directly competitive with other major market players.

We will also strive for a profit margin of 40% during the first-three years of operation, the rate will then be risen to 45%

## PRICING STRUCTURE ( Tsh./ Liter )

Production Cost	Tsh. 88.42
Vat ( 20% )	Tsh. 11.90
Sub total	Tsh.100.32
Other costs	Tsh.65.92
Profit margin ( 40.6%)	Tsh.113.76
<b>Rec.Price per liter</b>	<b>Tsh.280.00</b>

## COMPARATIVE PRICE STRUCTURE ( Tsh./ Liter )

BRAND	PACKAGE SIZE	PRICE/LT.	DEALER MARGIN	PRICE AT STORES
Kilimanjaro	1000ml	294	172.6	466.6
Uhai	1000ml	275	225	500
Alaska ( regular )	1000ml	280	220	500
Alaska ( launching )	1000ml	250	220	470

## DISTRIBUTION STRATEGY

Product distribution shall be of the utmost importance, as it will definitely influence our potential customers on whether to buy our products or not.

During the first five years, the company will focus in providing services to Dar es Saalam, Morogoro, Zanzibar and Coast regions markets. Our service will be expanded to other regions around the country after we have acquired satisfactory market share in those markets. We plan to acquire 10% of the shares in the markets of Dar es Salaam, Morogoro, Zanzibar and Coast region markets within three years of operation.

We have identified a total of 3000 potential customers in Dar es Salaam, Morogoro, Zanzibar and Coast regions. In order to effectively reach-out those customers, we plan to install direct route distribution system to the markets of Dar es Salaam and Coast Regions. Morogoro and Zanzibar markets will initially be served through appointed sales Agents.

According to our distribution plan, we will need to have at least 17 trucks to better serve the 2500 plus potential customers in Dar es Salaam and Coast region markets. The following tabulation shows our truck requirement plan.

MARKET	#. OF CUSTOMERS	ROUTE	#. OF TRUCKS
ILALA	1020	22	7
KINONDONI	880	18	6
TEMEKE	400	8	3
COAST REGION	100	2	1
<b>TOTAL</b>	<b>2500</b>	<b>50</b>	<b>17</b>

Our truck requirement plan is calculated based on the assumption that:

1. Each truck will be able to carry 300 cases or more of water.
2. Each truck will serve an average of 50 or more customers a day.
3. Average sales per outlet will be 5 - 6 cases per trip.
4. Each outlet will be served twice in a week.

## COMPETITIVE DISTRIBUTION COMPARISON - DAR MARKET

COMPANY	BRAND	CUSTOMERS	TRUCKS
Coca-Cola Kwanza	Kilimanjaro / Dasani	1,190	17
Bahresa	Uhai	2800	20
Sterak Beverages Ltd	Alaska	2500	17

### SALES STRATEGY

Success in sales is dependent on repeated business, therefore the sales strategy for Sterak beverages will base on personal, consistent sales calls with high emphasis on customer service and relations.

Because we will be new in the market, we understand that we will have to prove our worth to our customers in order to earn their respect and business. Our salesmen will make regular sales visits to both active and potential customers to review our product line and services, give them general information on our company and discuss how we feel we will be able to help them succeed in their business.

To fully serve our target market via route distribution system, we plan to start with 7 salesmen during early 2009, the number of salesmen will be raised to 17 by the end of 2009. Our salesmen will be responsible for providing full service and delivery to the market while displaying high levels of professionalism at all times.

### SALES PROGRAMS

**Consumers ;** We will develop sales programs that will focus in creating consumer awareness about the quality and value of our products hoping to encourage them to try out our products.

#### Program Information ;

- a. Undercut our product prices by ( 9% - 14% ) against competitor's during product launching.
- b. Instant price promotions
- c. Free product Testing

Period ; six months - two years

**Wholesalers and Retailers ;** We will also design sales programs that will specifically aim at encouraging both wholesalers and retailers to buy more of our products than those of competitors.

#### Program Information:

- a. Price Incentive
- b. Customer incentive programs (discounts on Quantity purchases ) etc
- c. Creating Pull buying by making our products most popular and highly demanded by consumers.

## SALES FORECAST

We currently forecast our monthly sales to be between ( 600,000 - 700,000 ) litres for the first two months. By Dec. 2009, we project our sales to increase by over 422% because of the introduction of two new products ( Alaska sparkling & Flavored ) waters and anticipated positive reaction from consumers about our products.

It should also be noted that, our sales will increase at a faster rate than the initial years as we become established and known on the market.

## MONTHLY SALES FORECAST - 2008

Product = Alaska Still Water

DETAIL	June	July	August	September	October	November	December
Unit sales in Litres	0	0	0	0	0	0	0
Unit sales in ( Tsh. )	0	0	0	0	0	0	0
Total Sales ( Tsh. )	0.00	0.00	0.00	0.00	0	0	0
Unit Cost of Sales ( Tsh. )	0	0	0	0	0	0	0
Cost of Sales ( Tsh. )	0	0	0	0	0	0	0
Net Sales ( Tsh. )	NA	NA	NA	NA	NA	NA	NA

ANNUAL SALES PLAN ( INDIVIDUAL PRODUCTS ) - ( 2008 - 2012 )

DETAIL	2008	2009	2010	2011	2012
<b>Alaska Still Water</b>					
Unit Sales ( litres )	0	12,441,600	17,625,600	22,032,000	27,540,000
Price per Unit	0	280	280	280	280
Sales ( Tshs. )	0	3,483,648,000	4,935,168,000	6,168,960,000	7,711,200,000
Cost of Sales per Unit	0	128	128	128	128
Cost of Sales ( Tshs. )	0	1,592,524,800	2,256,076,800	2,820,096,000	3,525,120,000
<b>Net Sales</b>	<b>NA</b>	<b>1,891,123,200</b>	<b>2,679,091,200</b>	<b>3,348,864,000</b>	<b>41,186,080,000</b>

DETAIL	2008	2009	2010	2011	2012
<b>Alaska Flavored Water</b>					
Unit Sales ( litres )	0	345,600	5,875,200	8,225,280	11,515,392
Price per Unit	0	300	300	300	300
Sales ( Tshs. )	0	103,680,000	1,762,560,000	2,467,584,000	3,454,617,600
Cost of Sales per Unit	0	150	150	150	150
Cost of Sales ( Tshs. )	0	51,840,000	881,280,000	1,233,792,000	1,727,308,800
<b>Net Sales</b>	<b>NA</b>	<b>51,840,000</b>	<b>881,280,000</b>	<b>1,233,792,000</b>	<b>1,727,308,800</b>

DETAIL	2008	2009	2010	2011	2012
Alaska Sparkling Water					
Unit Sales ( litres )	0	172,800	2,937,600	3,818,880	4,964,544
Price per Unit	0	280	280	280	280
Sales ( Tshs. )	0	48,384,000	822,528,000	1,069,286,400	1,390,072,320
Cost of Sales per Unit	0	140	140	140	140
Cost of Sales ( Tshs. )	0	24,192,000	411,264,000	534,643,200	695,036,160
Net Sales	NA	24,192,000	411,264,000	534,643,200	695,036,160

## SALES PLAN SUMMARY ( 2008 - 2012 )

Exchange rate = 1200

DETAIL	2008	2009	2010	2011	2012
<b>SALES</b>					
Alaska Still Water	NA	3,483,648,000	4,935,168,000	6,168,960,000	7,711,200,000
Alaska Flavored Water	NA	103,680,000	1,762,560,000	2,467,584,000	3,454,617,600
Alaska Sparkling Water	NA	48,384,000	822,528,000	1,069,286,400	1,390,072,320
Total Sales	NA	3,635,712,000	7,520,256,000	9,705,830,400	12,555,889,920
<b>DIRECT COST OF SALES</b>					
Alaska Still Water	NA	1,592,524,800	2,256,076,800	2,820,096,000	3,525,120,000
Alaska Flavored Water	NA	51,840,000	881,280,000	1,233,792,000	1,727,308,800
Alaska Sparkling Water	NA	24,192,000	441,264,000	534,643,200	695,036,160
Total Cost of Sales	NA	1,668,556,800	3,578,620,800	4,588,531,200	5,947,464,960
<b>NET SALES</b>	<b>NA</b>	<b>1,967,155,200</b>	<b>3,941,635,200</b>	<b>5,117,299,200</b>	<b>6,608,424,960</b>

( All sales in Tshs.)

## PRODUCTION PLAN SUMMARY

Our production system shall strive to attain service excellence in addition to manufacturing safety and quality products. This shall be undertaken through the engagement of modern techniques using up-to-date production technology. This will result in high production efficiency, low rate of wastage and cost being attained by the company.

### Production Objectives

Our production plan will focus on attaining the following key objectives;

- \* Quality products
- \* Production efficiency
- \* Low cost
- \* Low wastage
- \* Hygienic environment
- \* Environmental friend ness

### Production Facility

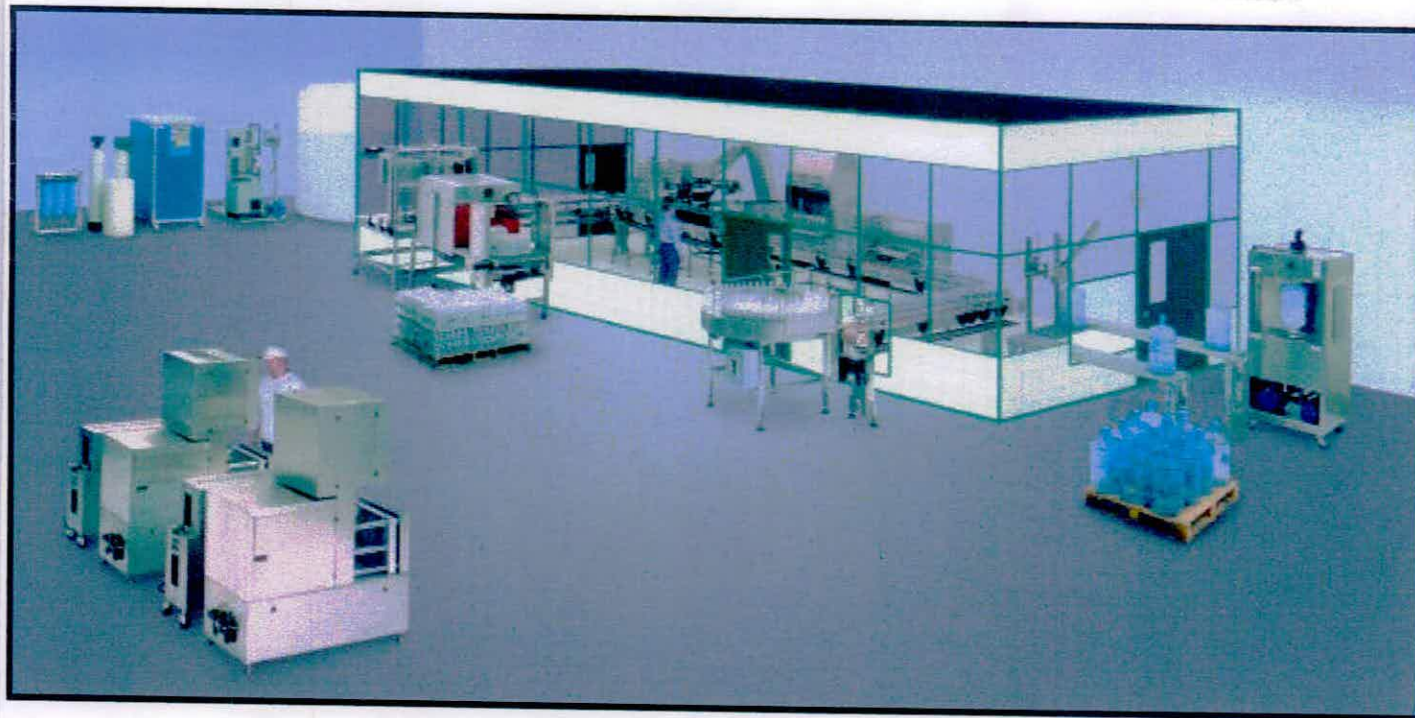
Sterak beverages aims at acquiring the ISO ( International Standard Organization ) certification for quality and manufacturing within three years of operation. The company is therefore intending to construct its production facility based on ISO standards which among other things require installation of a cleanroom in production area in order to provide clean environment during production process.

### What is a Cleanroom

Cleanroom is defined as a work or production area in which the air quality, temperature and humidity are highly regulated in order to protect products produced from contamination. Clean room can take any shape or form depending on the type of product produced.

The air in a cleanroom is repeatedly filtered to remove dust particles and other impurities that can contaminate products. The measure of the air quality of a clean room is described in ISO - 14644-1. Clean rooms are rated as " class 10,000 - where there exists no more than 10,000 particles larger than 0.5 microns in any given cubic foot of air ".

**BUILDING A WATER BOTTLING SYSTEM CLEAN ROOM**



## Production Process

Our production process will be divided into three key sections;

- a. Raw materials      b. Purification Process      c. Packing Process

### Raw materials

Company will constantly and carefully monitor condition and quality of its raw materials before and during production in order to ensure that they are in compliance with the company quality standards. This stresses the importance of having proper inventory and quality production policies in place. Sterak beverages will adopt a FIFO ( First In First Out ) inventory system in order to ensure that the quality of its stocks are not compromised. The company will also install inline quality monitoring devices i.e. ( inflow TDS & PH ) meters at several levels of production process. This will help to check

- a. Water status as it passes through different levels of purification process  
b. Effectiveness of filters and other purification devices.

The primary raw materials in our production operation will include, municipal water, PET bottles, bottle caps, labels and temper evidence cap - seals. Details of each one of these materials are given hereunder;

### Water

Sterak will use the most advanced water purification technology to remove every possible impurity found in municipal water including, arsenic, bacteria, fluoride, lead, MTBE and pesticides.

We will begin with regular tap water that measures approximately 130 particles per million ( PPM ) of total dissolved solids ( TDS ). At the end of our 9 step purification process, the TDS level will average 0.5 ppm, which will make Alaska the purest known bottled drinking water on the market.

### Water Analysis Chart

	PH	Turbidity ( fau )	TDS ( ppm )	EC ( ms/cm )	Color ( Pt/co )	No3 ( ppm )	Cl- ( ppm )
(kijitonyama area ) municipal water	7.41	4.3 - 20	130	0.22	12.5	2.3	31.9
kilimanjaro water	7.69	2.5	105	0.23	2	3.6	31.9
uhai water	7.73	2	130	0.27	0	3.2	39
alaska water	7	0.5	0.5	0.2	0	0.2	30.2
WHO ( max.limit )	( 6.5 - 9.5 )	25	1500	3	50	1	600
TBS ( max.limit )	( 6.5 - 9.5 )	30	2000	3	50	1	600

## **Bottles**

Sterak will manufacture its own bottles in-house, using a state-of-the-art & user friendly blow molding machine - GRA - 811D that has the capacity of producing 5000 PET bottles per day. (based on 8 working hours) The GRA - 811D blow molding machine is using a new technology to process Pre-forms to amazing beautiful and durable bottles at a very marginal cost and low rate of wastage. With GRA - 811D, Sterak bev. will be able to maintain wastage at the rate of less than 0.5%

### **Advantages of manufacturing Bottles in - house Vs Buying Bottles**

- \* Company will be able to serve an average of Tshs 84.00 per bottle. The average cost of buying bottle is standing at Tshs. 144.00 per bottle. This will make us a saving of about Tshs. 1,008,000 per day, based on a daily production of 12000 liters.
- \* Blow molding bottles in - house will serve the company dearly on storage cost. Company will be able to manufacture the only right quantity required for production, whereas buying bottles usually involves huge quantities to be ordered at once which normally causes headache in storage space and cost.
- \* Control over bottle quality will be made possible and easy if manufactured in - house.

## **Labels**

We will use Polypropylene ( OPP ) - Shrink roll - fed labels. Labels will be applied to the bottles by using an inline automatic shrinkable label machine which will be placed on the output conveyor of a filling machine ( GRA 12000 ) and will be able to label about 12000 bottles per hour.

### **Caps and Temper Evidence seals**

We will use 28mm flat screw caps in all bottle sizes ( 350ml, 500ml and 1000ml ). Caps and seals will be imported from overseas, meanwhile we have identified a number of reputable suppliers of caps & seals within the East and Southern Africa regions, communication with some of them are underway.

## **Purification Process**

The following is a detail description of each of Alaska 12- step purification process.

### Step 1 : Sand Filtration Treatment

Our complex purification process begin with a simple sand filtration that uses gravels, silica sands anthracites and different sizes of garnet to remove mud and sediment particles from water.

### Step 2 : Active Carbon Filtration

Granular activated carbon filtration is a highly porous organic absorber that removes contaminates such as chlorine and bromine from water. Chlorine can contribute to the undesirable taste and odor in water if not well checked.

### Step 3 : Five levels of Microfiltration

During this step water is passed through five levels of filters that have various sizes of micro - porous filters ( 5 - 0.5 microns ). The filters will remove particles according to their filter's size.

### Step 4 : Reverse Osmosis , First Pass

This first pass of reverse osmosis removes 99% of dissolved solids and results in reduced TDS from 300 ppm to 5 ppm. Ro is a process by which contaminates such as minerals are removed by passing water through special membrane.

### Step 5 : Reverse Osmosis, Second Pass

This second pass of reverse osmosis will reduce the water TDS reading to approximately 1.3 ppm.

### Step 6 : Deionization ( Water softener )

This is the process of removing ions, including minerals from water by passing it over a bed of resins. It is a process that creates a higher level of purity by removing ions that reverse osmosis was unable to remove. This process will reduce TDS level to approximately 0.8 ppm

### Step 7 : Ozonation

This is a chemical free disinfection process. Ozonation relies on Oxygen to ensure that purified water remains free from any possible microbiological contamination. During ozonation, a molecular Oxygen O<sub>2</sub> is converted to Ozone O<sub>3</sub> by using high voltage electricity charge. The O<sub>3</sub> is then circulated through water. This is the most effective disinfectant known in the water purification system. Sterak beverages will be the first company in the country to use this kind of disinfections technology.

#### Step 8 : Micro Filtration, Second Pass

The final microfiltration process comprises of two steps of filtration process where by water is passed through two blocks of filters each one with 0.5 micron capacity. This is another precautionary measure to protect our consumers from bacteria infection.

#### Step 9 : Active Carbon Filtration, Final Pass

Final step to ensure all odor and chemical contaminants are completely removed from water. At this stage, particles as small as 0.5 particles per million are removed.

#### Step 10 : UV treatment

At this step of the process, the water will pass through a special chamber which houses a large ultraviolet light source. This ultraviolet light acts as a powerful sterilizing agent. If any bacteria, viruses or other microbiological contaminants are present in the water, the ultraviolet light with this particular wavelength will destroy the genetic material within these organisms and thus eliminating the possibility of bacterial or viral reproduction and proliferation. The organism will quickly die and get captured and removed during the next final stage of reverse osmosis.

#### Step 11 : Reverse Osmosis ( final pass )

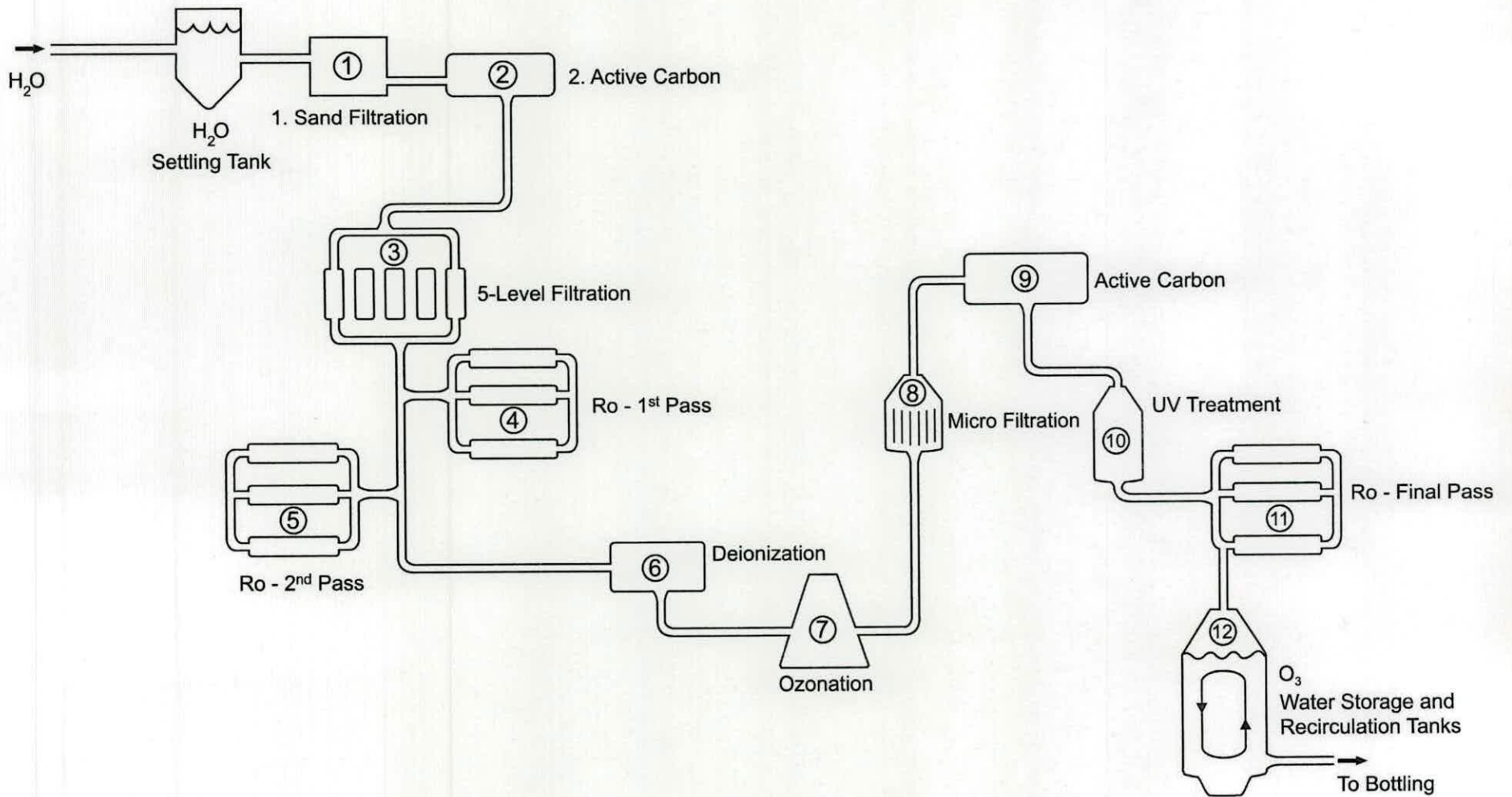
This is a final pass of reverse osmosis that is set to ensure that all contaminants are completely removed from water. This will be a precautionary step as most of the organisms or contaminants would be either killed or completely removed by the previous stages.

#### Step 12 : Storage and Recirculation

After the water has passed through the preceding 11 steps, it will then move into the storage and recirculation phase. Storage and recirculation system is designed so that Alaska water will retain its exceptionally high purity and will never come into contact with any materials or substances which can in any way compromise the quality of water. Sterak beverages' water will feature a storage system made entirely of stainless steel.

Alaska water will not simply sit in storage tanks after purification instead, the water will continuously travel through a recirculation loop. During recirculation, additional ozone will periodically be added to maintain the completely sterile and bacteria - free condition of the system

# WATER PURIFICATION PROCESS – 12 LEVELS FLOW CHART



## **Packaging Process**

### **Washing , Filling and Capping**

Our water packing process will begin with bottle washing, filling and capping. At Sterak beverages all three functions will be performed by a single machine **Momoblock ( CGX 24-24-8 )**.The CGX 24-24-8 machine uses the most advanced beverage packaging technology whereby approximately 10,000 bottles are automatically washed,rinsed,dried,filled and capped each hour.

### **Sensors**

The filled and capped bottles will then travel to the next stage of labeling through a series of inline sensors that will detect bottle leakages and presence of contaminants.Should any foreign matters be detected, the sensors will emit a loud alarm and instantaneously stop the conveyer belt.

### **Labeling Stage**

At this stage of a process, labels and cap seals will be applied onto the bottles by using a shrinking process.Our system will use a GRA - 12000 machine which will have the capacity of labeling approx. 12000 bottles per hour.

### **Bottle Coding**

From the labeling stage, bottles will be ink - coded to indicate the batch number, production and expirely dates.

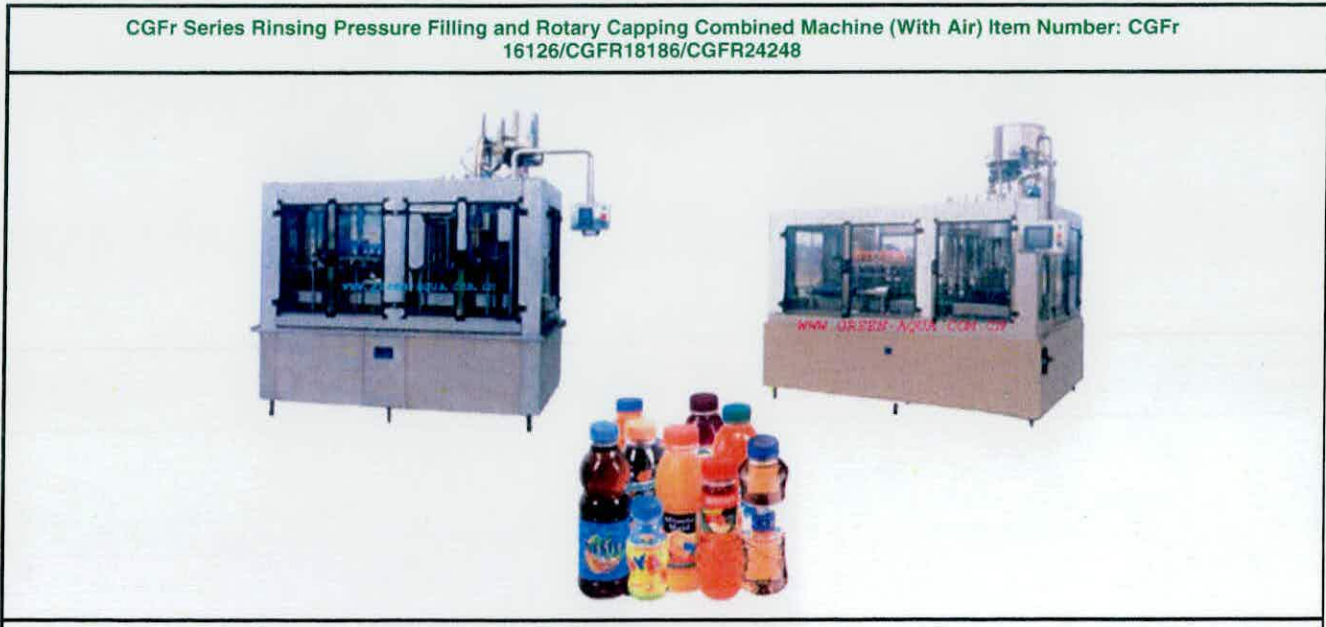
### **Case Wrapping stage**

This will be the final stage in our packaging process.At this stage, bottles will be collected into the pre - set format and configuration ( in 6's,12th or 24 ) pcs per case and get shrink wrapped using a heat and cooling process.

WATER PURIFICATION MACHINE



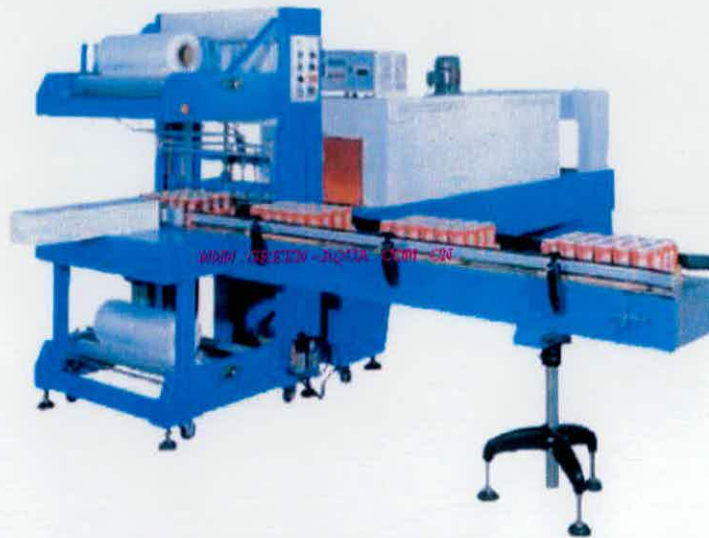
CGFr Series Rinsing Pressure Filling and Rotary Capping Combined Machine (With Air) Item Number: CGFr 16126/CGFR18186/CGFR24248



**BLOW MOLDING MACHINE ( GRA - 811D )**



**Automatic shrinking package machine**



## **Environmental Controls**

Sterak beverages will take environmental control very seriously. Some key environmental control steps that the company intends to implement are outlined hereunder;

### **Use of PET bottles**

The company will bottle all of its remarkable water in Polyethylene terephthalate ( PET ) plastic packages because, we believe it is the most responsible environmental choice than any other packaging materials. Compared to other plastics, PET is easily recyclable and has many post recycling uses. Also PET bottles require 24% less energy to produce, generate 40% less solid waste, and emit 46% less carbon during shipping than glass bottles.

Sterak beverages is considering to invest in a PET recycling plant that will help to reduce the problem of after - use bottle littering as well as to generate income to the people.

### **Production Waste**

Our production process will be environmentally - friendly, as such we will have a very insignificant amount of water wastage during our production process. The small amount of water that will be released as the result of bottle washing and rinsing, will be collected in special tanks and later be used for irrigating company landscape and other cleaning purposes.

Our entire water purification and packaging process will be chemical - free and thus no harmful materials will be damped out.

## MANAGEMENT SUMMARY

Sterak Beverages will build a strong and less hierarchical organization. The company is projecting to start with 46 employees, the number will be increased to 99 employees in year three of operation. Sterak beverages will take careful and thorough analysis of employee requirement of each department before reaching a hiring decision. This will help to keep overhead as low as possible.

The following management plan outlines a summarized information about our organization structure, management team, board of directors & advisors, a four year employment plan and corporate responsibility.

## ORGANIZATION STRUCTURE

The company will be organized into five main functional areas:

1. ADMINISTRATION 2. FINANCE 3. OPERATIONS 4. PRODUCTION 5. SALES & MARKETING

### ADMINISTRATION

Administration department will comprise of the offices of the Managing director, Executive director and Human resources and public relations.

### HUMAN RESOURCES & PUBLIC RELATIONS DEPARTMENT

The Human resources department will be responsible for the administration of a modern personnel merit system and effective personnel developmental programs consistent with applicable company policies.

Departmental head : Human Resources & Public Relations Manager

Other personnel : HR coordinator, Loss prevention coordinator, Security guards, Messengers & cleaners

### FINANCE DEPARTMENT

Finance department will include the accounting and cashier sections, and will be responsible for maintenance of the accounting system, the payroll system, the fixed asset system, reconciliation of bank accounts and preparation of various accounting and financial reports.

The department will also be responsible for management of all account receivables & payables as well as control of company expenditures.

Departmental Head : Finance Manager

Other personnel : Accountant, Cashier

### OPERATIONS DEPARTMENT

This department will be responsible for procurement of raw materials and other company needs, management of warehouses & maintenance of stock inventories and management of all company fleets.

The operations department will also be responsible for maintenance of good relationship with all company vendors.

Departmental Head : Operations Manager . Other personnel : Storekeeper

## SALES & MARKETING SERVICES DEPARTMENT

The functions of this department will be divided into two key areas:

( a ) Sales                      ( b ) Market Services

### SALES DEPARTMENT

Sales department will deal with strategic sales planning and forecasting as well as coordination of sales activities ( meet customer demands, increase sales volumes, appointing sales agents, management of route distribution system ).

Departmental Head : Sales Manager

Other personnel : Salesmen, Area Sales supervisors, sales statistician, Salesmen helpers ( loaders )

### MARKET SERVICES DEPARTMENT

Market services department will work closely with sales department to identify customers / consumers needs and design strategic plans to meet those needs and wants.

However, the department will also deal with designing & managing execution of market programs, ie sales promotions, Advertising, Trade fairs etc.

Departmental Head : Market Services Manager

### PRODUCTION DEPARTMENT

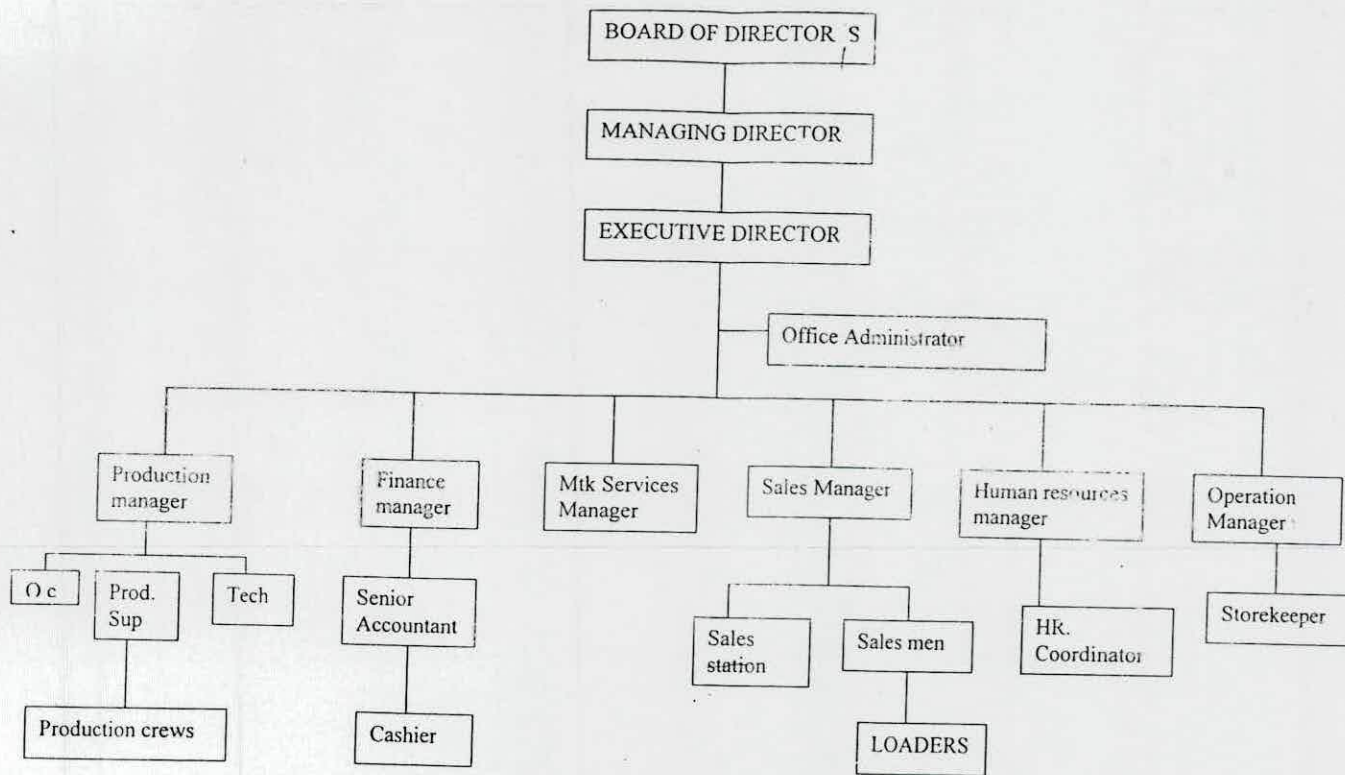
Management of a production process while maintaining efficient use of company resources and keeping abreast of product quality and environmental control will be the main task of this department.

Departmental Head : Production Manager

Other personnel : Production coordinator, Technical coordinator, Quality controller, production crews

This simple structure will promote a great deal of flexibility and will allow communication to disperse quickly and directly. Because of these characteristics, there will be few coordination problems at Sterak beverages that are common with larger organizational chains. This structure will enable Sterak beverages to react quickly to changes in the market.

\* All departmental heads will be reporting to the Managing Director.



## MANAGEMENT TEAM

Sterak beverages will have a very thin management team at inception. Our basic philosophy will be to run our executive management "lean and mean". This will mean that, we will have fewer management positions with broader responsibilities and make some of our managers wear more than one hat.

### Directorship

**Mr. Stewart Mmbaga**, MBA ( USA ) is a company managing director and will oversee all administrative and operative functions of the company. Mr Mmbaga has extensive experience in beverage marketing and general management acquired through long tenure with local, international and multinational companies. Among the few companies that Mr. Mmbaga had served in mid and higher managerial positions are Megatrade Investment ( TZ ), Coca - Cola Northern Africa Division ( Nairobi ), Fossil Inc ( USA ), Paciugo Inc. ( USA ) and Zales Corporation ( USA ). - ( CV attached ).

**Miss Kahuye Killo**, a holder of Associate degree in Human resource Management ( USA ) is an executive director who will focus more on human resource and Public relations issues. Miss Killo has held various key positions working with different companies here at home and abroad i.e. Agip ( T ) Limited and Presybretarian Hospital, Dallas, Texas ( USA ). Miss Killo had also worked with several none for profit organizations that helped to serve disadvantaged children in the United States. ( CV attached ).

## BOARD OF DIRECTORS AND ADVISORS

The board of directors will consist of :

### **Mr. Stewart Mmbaga - Board Chairman**

Mr. Mmbaga is currently a Managing Director of Sterak Beverages Limited and has an extensive experience in beverage marketing and general management which he acquired through a long tenure with local, international and multinational companies. Among the few companies that Mr. Mmbaga had served in mid and higher managerial positions are, Megatrade Investment ( Arusha ), Coca - Cola Northern Africa division ( Nairobi ), Fossil Inc. ( USA ), Paciugo ( USA ) and Zales Corporation ( USA )

**Contact : + 255 0787 319266**

### **Miss Kahuye Killo - Board Member**

Miss Killo is an executive director of Sterak Beverages Ltd, and has previously held various key positions working with different companies here at home and abroad i.e. Agip ( T ) Limited ( Tanzania ) and Presybretarian Hospital ( Dallas, Texas, USA )

**Contact - + 1 972 285 1973**

**Mr. Shaban S. Kakinga - Board Member**

Mr. Kakinga is a prominent businessman, a professional banker and a holder of higher qualification in materials management. Presently is working with m/s Transnational Investment Holding Company - EA Ltd as a company President.

**Contact - + 255 0754 686363**

**Mr. Alloyce Paul Maziku - Board Member**

A senior lecturer in the accounting and finance department under the faculty of commerce at the Mzumbe University. Mr. Maziku holds Msc. ( Finance Management ) from Glasgow Caledonian, UK. And has been involved quite extensively in consultancy and research activities in manufacturing firms, private organization, central and Local government in finance management for over 15 years.

**Contact - + 255 784 642999**

**Board of Advisors**

The advisory board will assist the company on key management decisions and long range planning functions. These are individuals with diverse knowledge in all operations and management functions.

Our advisory board members are ;

**Mr. Thomas Otieno**

A professional accountant and currently working as a compliance manager with Diamond Trust Bank in Dar es Salaam, Tanzania.

**Mr. Abel Minja**

A general manager with Mekonsult - certified Public Accountants in Dar es Salaam, Tanzania.

**Mr. Shawn Reynolds**

A specialist in water bottling technology at Water Event Solutions Inc. in Dallas, Texas, USA

**Mr. Josiah L. Moirana**

Sales Engineer ( water Division ) at Merrywater Ltd in Dar es Salaam, Tanzania.

**Demus Associates**

Certified Public Accountant & Tax consultant Firm:

## MANAGEMENT AND PERSONNEL PLAN ( 2008 - 2011 )

POSITION	2008	2009	2010	2011	TOTAL
Managing Director	1	0	0	0	1
Executive Director	0	1	0	0	1
Operations Manager	1	0	0	0	1
Finance Manager	1	0	0	0	1
Production Manager	1	0	0	0	1
Sales Manager	1	0	0	0	1
Market Services Manager	1	0	0	0	1
HR. Manager	0	0	1	0	1
Senior Accountant	1	0	0	0	1
Accountant	0	0	1	0	1
Technical Supervisor	1	0	0	0	1
Production Supervisor	1	0	0	0	1
Quality Controller	1	0	0	0	1
HR. Coordinator	0	1	0	0	1
Loss Prevention coordinator	1	0	0	0	1
Salesman	7	7	3	0	17
Sales statistician	0	1	0	0	1
Store keeper	1	0	0	0	1
Office Administrative Assistant	1	0	0	0	1
Cashier	1	0	0	0	1

Technician	0	0	1	1	2
Security Guard	6	0	4	8	18
Production Crew	12	4	0	0	16
Sales Casual	7	7	3	0	17
Office Messenger	1	0	0	0	1
Area Sales supervisor ( up country - ZNZ,Morogoro )	0	1	0	0	1
Mini depot saleman	0	0	3	4	7
Tanker Driver	0	1	0	0	1
<b>TOTAL</b>	<b>46</b>	<b>23</b>	<b>16</b>	<b>13</b>	<b>99</b>

## Corporate Responsibility

Sterak's board, management and employees will be committed to the highest standards of corporate responsibility. Our approach to corporate responsibility is made up of five main components:

### 1. Business Standards and Ethics

The company business and ethical standards will be fundamental to how the company operates, and will include workplace policies, hiring, training, business guidelines, ethical and legal standards.

### 2. Corporate Governance

We will fully commit to governance policies and practices that will promote thoughtful and independent representation of shareholders interest.

### 3. Community

We will dedicate our effort to make the dreams of families and children a reality through public service initiatives, community outreach and volunteerism in the communities where we live and work around the country.

### 4. Sterak Environmentality

The company will commit itself in balancing environmental stewardship with its corporate goals and operations nationwide.

### 5. Healthy and Hyginitiy

The healthy of our consumers will be of paramount importance as it is thus far become evident throughout our plan, the company has taken all steps necessary to ensure that neither the quality of raw materials nor the ones for finished products are compromised.

### 6. Employment

Sterak beverages will be an employment powerhouse. During the first three years of our operation alone, we will be able to provide employment to about 4000 Tanzanians. This will be a combination of both formal and informal employment.

# STERAK BEVERAGES LIMITED

## Annexure 1: INVESTMENT

Plant and Equipment ITEM	QTY	UNIT	COST	TOTAL
* Water Purification Plant ( RO - 10001 )	1	PC	75,500	75,500.00
* Monoblock wash, fill & capping machine ( CGX 24-24-8 )	1	PC	57,000	57,000.00
* Automatic Labelling machine ( GRA - 12000 )	1	PC	58,400	58,400.00
* Automatic Shrinkpacking machine ( ST - 603AF )	1	PC	38,000	38,000.00
* Automatic Ink-jet printing machine	1	PC	29,800	29,800.00
* Semi Automatic Blow-moulding machine ( GR - 811D )	1	PC	41,000	11,000.00
* Extra conveyor belt - 10' ft				
* Stainless Steel Tanks ( 50Tone )			299,700	269,700
Sub Total Equipments			15%	40,455.00
Equipments cost contingency ( 15% )				310,155.00
<b>Total Cost Production Equipments</b>				<b>403,201,500</b>
<b>Total Cost Production Equipments in TZS</b>				

## Annexure 2: Leased Land and Buildings

ITEM	COMPUTATION	AMOUNT
* Lease 3 months lease at TZS. 6,000,000/= per month		18,000,000.00
* Renovation and Installation ( 50% of the lease amount )		3,000,000.00
<b>Sub Total Building</b>		<b>21,000,000.00</b>
Building cost contingency ( 15% )	15% x 21,000,000.00	3,150,000.00
<b>Total cost Building / Facility</b>		<b>24,150,000.00</b>

## Annexure 3: Motor Vehicles

ITEM	QTY	COST	TOTAL
Trucks (2 tons and up)	5	10,000	50,000
Pick Ups	3	10,000	30,000
Vehicle Sub Total			<b>80,000</b>
Vehicle Contingence 15%			12,000
Vehicle Total			92,000
Vehicle Total In TZS			<b>119,600,000</b>

## Annexure 4: Office Automation & Furniture

ITEM	QTY	COST	TOTAL
Desk Top Computers	0		10,000
Furnitures & Fittings	0		10,000
Office Automation Total			20,000
Office Automation Contingence			3,000
<b>Total</b>			<b>23,000</b>

**STERAK BEVERAGES LIMITED**

**Total Automation Cost**

**29,900,000**

**Annexure 5: Working Capital**

**Raw Materials**

ITEM	QTY	UNIT	COST	TOTAL
* Pre - Forms ( for PET bottles )	604,800	Ltrs	0.005	9,072
* Caps ( 28mm - Flat )	604,800	Ltrs	0.008	14,515
* Neck Sleeves	604,800	Ltrs	0.00015	272
* Labels	604,800	Ltrs	0.0005	907
* Shrinking Films ( Shrink wrapping cases	604,800	Ltrs	0.0066	11,975
Sub Total Raw materials				36,742
Raw materials contingency ( 15% )				5,511
<b>Total Cost Raw materials</b>				<b>42,253</b>
<b>Total Cost of Raw Materials in TZS</b>				<b>54,928,692</b>

**Other Operating Expenses**

ITEM	COMPUTATION	AMOUNT
* Marketing expenses	5,000,000.00 x 2 months	10,000,000
* Salaries & wages	11,750,000.00 x 2 months	23,500,000
* Company registration & legal fees	USD. 500 x 1200	600,000
* Statutory operating permits	USD. 1500 x 1200	1,800,000
* Company Logo design	USD. 500 x 1200	600,000
* Product label designs	USD 1000 x 3 brands x 1200	3,600,000
* Stationery design & printing	USD. 150 x 1200	180,000
* Production equipment installation cost	USD 50 x 3tech x 10 days + 3,600,000	5,400,000
* Bottle mould design and development	USD.500 x 3 bottle sizes (350,500,	1,800,000
* Consultation fees	USD.300 x 1200	360,000
* Directors Vehicle	USD.15,000.00 x 1200	18,000,000
<b>Total Other costs</b>		<b>65,840,000</b>

**TOTAL WORKING CAPITAL**

**120,768,692**

**TOTAL INVESTMENT**

**697,620,192**

**INVESTMENT SUMMARY**

**TZS**

Plant and Equipment	403,201,500
Leased Land & Buildings	24,150,000
Motor Vehicles	119,600,000
Office Automation & Furniture	29,900,000
Working Capital	120,768,692
<b>TOTAL INVESTMENT</b>	<b>697,620,192</b>

**STERAK BEVERAGES LIMITED**  
**P. O. BOX 75314, DAR ES SALAAM**

**Annexure 6: DEPRECIATION SCHEDULE**

	<b>COST PRICE</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>
Leased Land and Buildings	24,150,000	1,207,500	1,207,500	1,207,500	1,207,500	1,207,500
Plant and Machinery	403,201,500	50,400,188	50,400,188	50,400,188	50,400,188	50,400,188
Motor Vehicles	119,600,000	29,900,000	29,900,000	29,900,000	29,900,000	29,900,000
Office Automation, Furniture & Fittings	29,900,000	7,475,000	7,475,000	7,475,000	7,475,000	7,475,000
<b>TOTAL</b>	<b>576,851,500</b>	<b>88,982,688</b>	<b>88,982,688</b>	<b>88,982,688</b>	<b>88,982,688</b>	<b>88,982,688</b>

**Annexure 7: PRODUCTION COSTS**

<b>Particulars</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>
Stock of Materials and WIP at the beginning	-	152,666,231	120,461,558	57,505,043	57,505,043
Purchase of production Materials	708,601,848	1,822,103,424	2,581,313,184	2,581,313,184	2,839,444,502
VAT	118,100,308	303,683,904	430,218,864	430,218,864	473,240,750
Fuel and Lubricants	6,458,574	8,666,455	14,285,400	19,454,587	21,400,046
Spares and Consumables	24,535,840	26,568,798	17,466,588	18,141,383	19,955,521
Electricity	36,700,000	44,040,000	52,848,000	52,848,000	58,132,800
Depreciation of Machinery	30,058,125	24,277,779	19,731,579	9,413,389	10,354,728
Production Labour	120,000,000	150,000,000	170,000,000	170,000,000	187,000,000
Royalty	72,000,000	396,000,000	114,000,000	210,000,000	231,000,000
Manufacturing exps	-	-	500,000,000	459,254,430	505,179,873
Maintenance cost of Machinery	3,600,000	13,600,000	24,360,000	36,580,000	40,238,000
<b>TOTAL</b>	<b>1,120,054,695</b>	<b>2,941,606,591</b>	<b>4,044,685,173</b>	<b>4,044,728,880</b>	<b>4,443,451,264</b>
Stock and Work in Progress at the end of the year	152,666,231	120,461,558	57,505,043	57,548,750	86,323,125
<b>PRODUCTION COSTS</b>	<b>967,388,464</b>	<b>2,821,145,033</b>	<b>3,987,180,130</b>	<b>3,987,180,130</b>	<b>4,357,128,139</b>

**STERAK BEVERAGES LIMITED**  
**P. O. BOX 75314, DAR ES SALAAM**

**Annexure 8: ADMINISTRATIVE EXPENSES**

Particulars	2009	2010	2011	2012	2013
	TZS	TZS	TZS	TZS	TZS
Office-Utilities	10,084,500	11,254,800	12,548,790	13,567,400	14,924,140
Travel and Accomodation	1,235,640	2,703,890	2,505,410	1,503,246	1,653,571
Rent (Lease)	72,000,000	80,640,000	90,316,800	101,154,816	111,270,298
Distribution Cost ( fuel )	24,000,000	26,880,000	30,105,600	33,718,272	37,090,099
Maintance ( Trucks & vehicles )	12,000,000	13,440,000	15,052,800	16,859,136	18,545,050
Vehicle fuel cost	6,000,000	6,720,000	7,526,400	8,429,568	9,272,525
Transportation inwards	12,000,000	13,440,000	15,052,800	16,859,136	18,545,050
Business Promotion and Marketing	60,000,000	67,200,000	75,264,000	84,295,680	92,725,248
Insurance	3,600,000	4,032,000	4,515,840	5,057,741	5,563,515
Depreciation ( furniture )	12,000,000	13,440,000	15,052,800	16,859,136	18,545,050
Depreciation ( computers )	6,000,000	6,720,000	7,526,400	8,429,568	9,272,525
Other Admin. Overheads ( misc.)	18,000,000	20,160,000	22,579,200	25,288,704	27,817,574
Statutory levies	60,000,000	67,200,000	75,264,000	84,295,680	92,725,248
Tender documentation fees	1,325,400	1,724,580	1,918,700	2,110,570	2,321,627
Subscription fees	352,410	800,000	1,200,000	1,320,000	1,452,000
Printing and Stationaries	956,542	1,375,570	978,500	1,076,350	1,183,985
Business Licences and Related expens	968,570	980,300	1,165,175	1,281,693	1,409,862
Board meeting Expenses	732,450	930,030	1,140,000	1,254,000	1,379,400
Auditing and Accountancy Fees	250,000	700,000	1,400,000	1,540,000	1,694,000
Postage, Telephone, Fax etc	1,135,600	2,500,000	2,800,000	3,080,000	3,388,000
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>302,641,112</b>	<b>342,841,170</b>	<b>383,913,215</b>	<b>427,980,695</b>	<b>470,778,765</b>

**Annexure 9: OTHER EXPENSES**

Salaries and Wages	138,840,000	338,840,000	378,840,000	458,840,000	550,608,000.0
<b>TOTAL</b>	<b>138,840,000</b>	<b>338,840,000</b>	<b>378,840,000</b>	<b>458,840,000</b>	<b>550,608,000</b>

**Annexure 10: FINANCIAL EXPENSES**

Insurance premium	3,241,020	2,435,705	2,679,276	2,947,203	3,241,923
Bank charges	865,400	1,824,560	2,123,250	2,335,575	2,569,133
Technical professional services	1,356,200	5,923,560	7,462,120	8,208,332	9,029,165
<b>TOTAL</b>	<b>5,462,620</b>	<b>10,183,825</b>	<b>12,264,646</b>	<b>13,491,110</b>	<b>14,840,221</b>

**STERAK BEVERAGES LIMITED**

**PROJECTED INCOME STATEMENT**

	2009 TZS	2010 TZS	2011 TZS	2012 TZS	2013 TZS
<b>INCOME</b>					
Turnover	2,032,128,000	5,308,416,000	7,520,256,000	7,520,256,000	7,520,256,000
Production Costs	967,388,464	2,821,145,033	3,987,180,130	3,987,180,130	3,987,180,130
<b>GROSS PROFIT</b>	<b>1,064,739,536</b>	<b>2,487,270,967</b>	<b>3,533,075,870</b>	<b>3,533,075,870</b>	<b>3,533,075,870</b>
<b>LESS :OPERATING EXPENSES</b>					
Salaries and wages	138,840,000	338,840,000	378,840,000	458,840,000	550,608,000
Administrative expenses (v)	302,641,112	342,841,170	383,913,215	427,980,695	470,778,765
Financial expenses	5,462,620	10,183,825	12,264,646	13,491,110	14,840,221
Depreciation charged	88,982,688	88,982,688	88,982,688	88,982,688	88,982,688
<b>TOTAL OPERATING EXPENSES</b>	<b>535,926,420</b>	<b>780,847,683</b>	<b>864,000,548</b>	<b>989,294,493</b>	<b>1,125,209,673</b>
<b>NET PROFIT BEFORE TAX</b>	<b>528,813,117</b>	<b>1,706,423,284</b>	<b>2,669,075,322</b>	<b>2,543,781,377</b>	<b>2,407,866,196</b>
Provision for Tax	158,643,935	511,926,985	800,722,597	763,134,413	722,359,859
<b>NET PROFIT AFTER TAX</b>	<b>370,169,182</b>	<b>1,194,496,299</b>	<b>1,868,352,725</b>	<b>1,780,646,964</b>	<b>1,685,506,337</b>
Balance Brought Forward	370,169,182	1,564,665,480	3,433,018,206	5,213,665,169	6,899,171,507

**STERAK BEVERAGES LIMITED**

**PROJECTED BALANCE SHEET**

	2009 TZS	2010 TZS	2011 TZS	2012 TZS	2013 TZS
<b><u>ASSET EMPLOYED</u></b>					
Fixed Assets	487,868,813	398,886,125	309,903,438	220,920,750	131,938,063
<b><u>CURRENT ASSETS</u></b>					
Cash and Bank Balances	382,300,369	1,665,779,355	3,623,114,768	5,492,744,419	7,267,233,444
Other Current Assets	124,484,400	282,395,721	476,607,774	433,420,226	390,094,848
Stocks	80,615,705	235,095,419	332,265,011	332,265,011	332,265,011
<b>TOTAL CURRENT ASSETS</b>	<b>587,400,474</b>	<b>2,183,270,496</b>	<b>4,431,987,553</b>	<b>6,258,429,656</b>	<b>7,989,593,303</b>
<b>LESS: CURRENT LIABILITIES</b>					
Loan					
Trade Creditors	46,456,170	5,564,155	8,150,188	2,550,824	
Taxation account	158,643,935	511,926,985	800,722,597	763,134,413	722,359,859
<b>TOTAL CURRENT LIABILITIES</b>	<b>205,100,105</b>	<b>517,491,140</b>	<b>808,872,785</b>	<b>765,685,237</b>	<b>722,359,859</b>
<b>NET CURRENT ASSETS/LIABILITIES</b>	<b>382,300,369</b>	<b>1,665,779,356</b>	<b>3,623,114,769</b>	<b>5,492,744,419</b>	<b>7,267,233,444</b>
<b>TOTAL ASSETS</b>	<b>870,169,182</b>	<b>2,064,665,481</b>	<b>3,933,018,206</b>	<b>5,713,665,169</b>	<b>7,399,171,507</b>
<b>FINANCED BY:</b>					
Capital	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Retained Earnings	370,169,182	1,564,665,480	3,433,018,206	5,213,665,169	6,899,171,507
<b>TOTAL EQUITY</b>	<b>870,169,182</b>	<b>2,064,665,480</b>	<b>3,933,018,206</b>	<b>5,713,665,169</b>	<b>7,399,171,507</b>

**STERAK BEVERAGES LIMITED**

**CASH FLOW FORECAST**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>
<b>CASH INFLOWS</b>					
Net Profit	528,813,117	1,706,423,284	2,669,075,322	2,543,781,377	2,407,866,196
Adjust for Depreciation	88,982,688	88,982,688	88,982,688	88,982,688	88,982,688
Net Cash Flows from Operations	<b>617,795,804</b>	<b>1,795,405,972</b>	<b>2,758,058,009</b>	<b>2,632,764,064</b>	<b>2,496,848,884</b>
Equity	500,000,000				
Loans					
Total Cash Inflows	<b>1,117,795,804</b>	<b>1,795,405,972</b>	<b>2,758,058,009</b>	<b>2,632,764,064</b>	<b>2,496,848,884</b>
<b>CASH OUTFLOWS</b>					
Capital Expenditure	576,851,500				
Dividends					
Corporate Tax	158,643,935	511,926,985	800,722,597	763,134,413	722,359,859
Debt Servicing					
TOTAL CASH OUTFLOWS	<b>735,495,435</b>	<b>511,926,985</b>	<b>800,722,597</b>	<b>763,134,413</b>	<b>722,359,859</b>
Net Cash Flows	<b>382,300,369</b>	<b>1,283,478,986</b>	<b>1,957,335,413</b>	<b>1,869,629,651</b>	<b>1,774,489,025</b>
CUMMULATIVE NET CASH FLOWS	<b>382,300,369</b>	<b>1,665,779,355</b>	<b>3,623,114,768</b>	<b>5,492,744,419</b>	<b>7,267,233,444</b>

## MILESTONES

This table lists important program milestones, running from April, 2007 to June, 2010. The milestone schedule indicates our emphasis on planning for implementation.

ACTIVITY	PERIOD / TIME
* Market research, data analysis & compilation	April, 2007
* Business plan	August, 2007
* Licensing & incorporation	September, 2007
* Logo designs	September, 2007
* Bottle mold design	September, 2007
* Label design	December, 2007
* Supplier sourcing	January, 2008
* Bottle mold development	February, 2008
* Building / production facility sourcing & leasing	May, 2008
* Industrial license & certificate of incentive ( TIC )	May, 2008
* Secure finances	September, 2008
* Lease hold Improvement	September, 2008
* Production equipment acquisition	December, 2008
* Distribution trucks acquisition	December, 2008
* Hire key personnel	January, 2009
* Equipment installation / trial production	January, 2009
* Hire , train staff	February, 2009
* <b>GRAND OPENING</b>	March, 2009
* Install carbonation & flavoring systems	December, 2009
* New products launching	February, 2010
* Distribution expansion.	June, 2010