RAHA REFRESHMENTS LIMITED

WATER BOTTLING PLANT – BUSINESS PLAN

January 2026

Contents

1. Executive Summary

Raha Beverages Limited is developing a modern, fully automated purified drinking water bottling plant in Mpanda, Katavi Region, Tanzania. Operating under the brand name "RAHA", the facility will have an installed production capacity of 6,000 bottles per hour, producing 500ml, 1L and 1.5L bottled water formats tailored to consumer, institutional and commercial needs.

This investment comes at a time when demand for safe bottled drinking water in Western Tanzania continues to grow steadily, driven by:

- Population growth and urbanization
- Increasing health awareness and preference for certified safe water
- Limited presence of modern bottling plants in Katavi and neighboring regions
- High transportation costs and delayed supply of bottled water shipped from coastal cities such as Dar es Salaam and Mwanza

"Raha" will fill a critical gap in the regional water supply market by offering high-quality, affordable, and consistently available bottled drinking water, while providing a trusted local brand alternative to distant suppliers.

Technically, the plant will incorporate state-of-the-art purification and processing technology, including multi-stage sand and carbon filtration, Reverse Osmosis (RO) purification, ultraviolet (UV) treatment, and Ozone sterilization, ensuring the highest standards of purity, safety, and taste. The facility will fully comply with Tanzania Bureau of Standards (TBS) requirements, alongside Occupational Safety and Health Authority (OSHA) and National Environment Management Council (NEMC) environmental and operational standards.

Strategically located in Mpanda, the plant benefits from proximity to a reliable deep borehole water source and direct access to growing consumer markets across Katavi, Rukwa, Tabora and Kigoma regions. Localized production significantly reduces transport and logistics costs, minimizes delivery lead time, improves pricing competitiveness, and strengthens customer loyalty through dependable regional service.

Beyond commercial objectives, the project will also deliver strong socio-economic benefits, including:

- Creation of 50–70 direct employment opportunities
- Stimulation of regional trade, retail and logistics networks
- Contribution to public health through access to safe drinking water
- Support to regional industrialization and economic growth initiatives

Financially, the project reflects a viable and sustainable investment supported by increasing demand, competitive cost structures, and strong projected profitability. With the right execution, "Raha" is positioned to become the dominant bottled water brand in Western Tanzania, recognized for quality, reliability, affordability, and strong community integration.

Raha Beverages Limited is therefore moving forward with confidence to implement this project as a strategic, impactful and profitable regional manufacturing venture.

2. Project Objectives

The Raha Water Bottling Plant has been designed with clear, measurable objectives that guide investment decisions, technical design and day-to-day operations. The project objectives are grouped into four main areas: Production, Quality, Market and Economic Impact.

2.1 Production Objectives

- Establish a fully automated bottling plant with an installed capacity of 6,000 bottles per hour, operating on 500ml, 1L and 1.5L formats.
- Achieve minimum effective production of at least 70% capacity utilization in Year 1, increasing to 85–90% by Year 3, subject to market growth and distribution coverage.
- Implement efficient production planning and shift management (e.g. 1–2 shifts per day) to balance demand, energy costs and maintenance requirements.
- Maintain overall equipment efficiency (OEE) at not less than 80%, through preventive maintenance, operator training and timely spare-parts management.
- Minimize product loss and wastage to less than 2% of total production through proper calibration, quality checks and handling procedures.

2.2 Quality Objectives

- Ensure that all Raha bottled water meets or exceeds Tanzania Bureau of Standards (TBS) requirements for bottled drinking water at all times.
- Implement a robust Water Safety and Quality Management System, including:
    - Routine raw water testing (microbiological and chemical parameters)
    - In-process quality checks during filtration, RO, UV and Ozone stages
    - Finished product testing before release to the market
- Obtain and maintain TBS certification, OSHA compliance and NEMC environmental approvals within the first year of operation and renew them as required.
- Establish a Quality Control Laboratory on site, with trained personnel and basic testing equipment to ensure continuous monitoring of water quality.
- Build a strong consumer trust and brand reputation by ensuring consistent taste, clarity and safe packaging, supported by clear labelling and batch traceability.

2.3 Market & Commercial Objectives

- Capture a leading market share in Mpanda and the wider Katavi region within the first 3 years of full operation, positioning RAHA as the preferred local brand.
- Expand distribution to surrounding regions Rukwa, Kigoma and Tabora, with structured distributor and wholesaler partnerships.
- Develop and maintain a wide customer base including households, retail shops, supermarkets, hotels, restaurants, institutions (schools, hospitals, offices) and government entities.
- Achieve annual revenue growth of at least 10–15% over the first 5 years through:
    - Increased market penetration
    - Introduction of new bottle sizes or packaging formats
    - Improved route-to-market and promotional activities
- Maintain a competitive but profitable pricing strategy by leveraging lower transport costs and efficient production, while protecting brand positioning as a quality product.

2.4 Socio-Economic Impact Objectives

- Create 50–70 direct employment opportunities, covering skilled and semi-skilled positions in production, quality control, maintenance, logistics, sales and administration.
- Generate indirect employment and income for:
    - Transport and logistics service providers
    - Distributors, wholesalers and retail outlets
    - Suppliers of packaging, raw materials and support services
- Contribute to the local and regional economy through:
    - Payment of taxes and statutory dues
    - Local procurement of goods and services wherever possible
    - Support to local enterprises (e.g. small retailers, kiosk owners).
- Improve public health outcomes by increasing reliable access to safe drinking water, especially in areas where piped water quality is inconsistent.
- Promote environmental responsibility through:
    - Proper solid waste management at the plant
    - Encouraging collection and recycling of used PET bottles in partnership with recyclers and community initiatives.

3. Location & Strategic Advantage

3.1 Project Location

The Raha Water Bottling Plant will be established in Mpanda Town, within the Katavi Region, in Western Tanzania. Mpanda serves as the administrative and commercial capital of the region, hosting key government offices, transport infrastructure, and vibrant trading activities. The selected site provides adequate space for factory development, internal circulation, storage facilities, utilities installation, and future expansion.

Key Location Attributes

- Region: Katavi Region
- Town: **Mpanda**
- Accessibility: Well-connected to surrounding regions through highway networks
- Surrounding Markets: Katavi, Tabora, Kigoma, Rukwa
- Proximity to residential, commercial, and institutional consumers

The location has been carefully chosen to balance resource availability, logistics efficiency, regulatory compliance, and market access, ensuring operational sustainability and commercial competitiveness.

3.2 Water Source Availability

The project will rely on a dedicated deep borehole, already assessed and confirmed to provide:

- Reliable groundwater quantity
- Consistent flow rate suitable for large-scale production
- Favorable physiochemical and microbiological characteristics

Comprehensive hydrogeological studies and water testing will be conducted to:

- Confirm suitability of raw water
- Establish sustainable extraction capacity
- Prevent over-extraction and environmental degradation

The availability of a secure raw water source is a significant competitive advantage, reducing dependence on municipal supply and enabling stable production operations.

3.3 Strategic Geographical Positioning

Mpanda is strategically located as a central commercial hub within Western Tanzania, providing direct access to economically active districts and cross-regional business corridors. Its position allows the Raha brand to efficiently reach:

- Local consumers in Mpanda town
- Rural and peri-urban communities in Katavi region
- High-demand neighboring regions (Tabora, Kigoma, and Rukwa)

Unlike many national water brands transported over long distances from Dar es Salaam, Mwanza, and Arusha, Raha will operate close to its consumer market, enabling:

- Reduced freight costs
- Shorter delivery times
- Fresher product availability
- Higher supply reliability
- Stronger market responsiveness

3.4 Competitive Location Advantage

The establishment of a modern water plant in Mpanda addresses a current market gap, as the region has limited large-scale bottled water producers. Most water brands in the region are imported from distant cities, leading to:

- Increased transportation costs
- Higher retail prices
- Supply inconsistency during peak demand
- Delays in delivery
- Reduced competitive options for consumers

By producing locally, Raha positions itself as:

- A cost-effective local alternative
- A trusted regional brand
- A reliable supplier with consistent availability

Raha's location advantage directly strengthens its pricing strategy, profit margins, and brand competitiveness.

3.5 Infrastructure & Accessibility

Mpanda Town is well connected by:

- Regional road highways
- Commercial trading networks
- Fuel supply stations
- Telecommunications infrastructure
- Power supply connectivity from TANESCO

- Access to skilled and semi-skilled labor

The area also supports strong retail and distribution networks, enabling structured partnerships with:

- Wholesalers
- Retail shops
- Supermarkets
- Institutional buyers

The presence of existing businesses and growing urbanization creates a robust and sustainable consumption base.

3.6 Security, Safety & Environmental Suitability

The site location ensures:

- Safe operating environment supported by local authorities
- Availability of law enforcement services
- Community acceptance
- Controlled industrial zoning suitability

Environmental considerations will be guided by:

- National Environment Management Council (NEMC) guidelines
- Proper groundwater extraction monitoring
- Waste management plans
- Responsible environmental stewardship

This ensures compliance and long-term sustainability of the project.

3.7 Economic and Regional Development Alignment

The project aligns with national and regional economic development priorities, particularly:

- Promotion of **regional industrialization**
- Increased **manufacturing capacity** outside major cities
- Employment generation
- Strengthening of local value chains
- Contribution to Tanzania's industrial growth agenda

The plant's presence supports government objectives to stimulate Western Tanzania's economy and reduce dependency on imported consumer goods.

4. Technical Specifications

The Raha Water Bottling Plant has been designed as a modern, high-efficiency, fully integrated production facility, incorporating international-standard purification, bottling, and packaging technologies. The technical design ensures consistent product quality, operational reliability, scalability, and full compliance with national regulatory requirements.

4.1 Overall System Design and Capacity

The factory will be installed with a 6,000 Bottles Per Hour (BPH) production line, capable of producing 500ml, 1L, and 1.5L bottled drinking water. The system is designed to operate either in single or double shift format depending on market demand, allowing flexible production scaling.

Core Capacity Features

- Installed capacity: 6,000 bottles/hour
- Daily capacity (single shift): approx. 48,000 – 60,000 bottles
- Daily capacity (double shift): approx. 96,000 – 120,000 bottles
- Ability to introduce additional bottle sizes in future
- Modular design, enabling future capacity expansion

4.2 Water Treatment and Purification System

To ensure the highest drinking water quality, the plant will utilize a multi-stage purification system, combining mechanical filtration, chemical treatment, and advanced sterilization to eliminate physical contaminants, dissolved impurities, and micro-organisms.

4.2.1 Raw Water Handling

- Deep borehole extraction
- Stainless steel storage tank for raw water
- Pre-treatment screening for sediments

4.2.2 Multi-Stage Filtration

- **Sand Filtration:** Removes suspended particles, turbidity, and larger solids
- **Activated Carbon Filtration:** Eliminates odor, chlorine, organic matter, taste impurities
- **Micron Cartridge Filters:** Ensures fine particulate removal before RO processing

4.2.3 Reverse Osmosis (RO) System

A high-performance Reverse Osmosis plant will remove dissolved salts, heavy metals, minerals, and microscopic contaminants, ensuring exceptionally pure drinking water.

Key RO Features:

- High pressure RO pump
- Double-pass membrane system (if required by water characteristics)
- Stainless steel piping
- Automatic monitoring and control

4.2.4 Final Sterilization

- Ultraviolet (UV) Sterilization: Eliminates microorganisms such as bacteria and viruses
- Ozone Sterilization: Ensures long shelf life and prevents microbial re-growth
- Final polishing filters to guarantee clarity and purity

This complete purification chain ensures full compliance with Tanzania Bureau of Standards (TBS) bottled water parameters.

4.3 Bottling and Packaging Line

The production line will feature high-speed, synchronized, automated bottling equipment designed for efficiency and hygiene.

4.3.1 PET Bottle Production

- High-speed PET Blow Molding Machine
- Uses preforms to produce bottles in-house
- Reduces reliance on external suppliers
- Ensures bottle consistency and quality
- Enables brand-specific customized bottle shapes

4.3.2 Rinsing – Filling – Capping (Monoblock System)

The plant will install a Tri-Block Monoblock System, integrating three processes into one machine:

- Bottle rinsing with sterilized water
- Precision volumetric filling
- Automatic capping with tamper-proof closures

4.4 Labeling, Sealing and Packaging

To ensure attractive presentation and secure packaging, the plant will incorporate advanced finishing technologies:

- Automatic Labeling Machine (Sleeve or Sticker based on brand decision)
- Shrink Wrapping Machine for bottle bundling

- Carton and pallet formation systems
- Heat shrink technology for product stability
- Batch coding and traceability printing system

This ensures professionally packaged products suitable for retail shelves, wholesale logistics, and institutional supply.

4.5 Utilities and Support Systems

To guarantee continuous and efficient operations, the facility will include:

- Sufficient electrical power supply, supported by standby generator
- Reliable water source and storage tanks
- Compressed air system for pneumatic machines
- Wastewater treatment and drainage system
- Secure chemical storage and dosing facility
- Modern fire suppression and safety systems

4.6 Quality Control and Testing Laboratory

A dedicated Quality Control Laboratory will be installed to continuously monitor water purity parameters at each stage of production. Key testing capabilities will include:

- Microbiological testing
- pH, TDS and conductivity analysis
- Chemical composition testing
- Turbidity testing
- Regular sampling and recording compliance

Routine internal audits and periodic external verification will also be conducted to maintain certification.

4.7 Health, Safety and Regulatory Compliance

The facility will be designed and operated in accordance with:

- Tanzania Bureau of Standards (TBS) bottled water regulations
- OSHA safety compliance
- National Environment Management Council (NEMC) environmental standards
- Food handling and hygiene standards
- Proper waste handling and plastic disposal protocols

Comprehensive Standard Operating Procedures (SOPs) will guide:

- Production hygiene
- Staff safety
- Environmental responsibility
- Emergency response

5. Brand Identity & Marketing Strategy

5.1 Brand Identity

Brand Name: Raha
Meaning: In Swahili, "Raha" represents **comfort, satisfaction, refreshment, health, and joy**, perfectly aligning with the product promise of pure hydration and wellness.

Brand Positioning Statement
"Raha is a premium yet affordable purified bottled water brand, delivering safe, refreshing and consistently high-quality drinking water to consumers across Western Tanzania, enhancing health, convenience and lifestyle comfort."

5.2 Brand Attributes

The Raha brand will be built around the following core attributes:

- **Trust & Safety** – Certified, laboratory-tested, TBS-approved water
- **Purity & Quality** – Clear, refreshing, great-tasting purified water
- **Affordability** – Competitive pricing supported by local production
- **Reliability** – Consistent supply, strong distribution network
- **Community-Centered Brand** – Proudly regional, supporting local development

5.3 Product Portfolio

Initially, Raha will produce:

- **500ml bottles** – Everyday consumption, retail sales, schools, travelers
- **1.0L bottles** – Household use, offices, hospitality outlets
- **1.5L bottles** – Home consumption, restaurants and supermarkets

Future Portfolio Expansion (Planned)

- 300ml small pack for school children and events
- 5L bottle for family/office consumption
- 20L dispenser bottles for corporate and institutional clients

This phased product strategy allows controlled market entry while maintaining production efficiency.

5.4 Packaging & Brand Presentation

Raha's packaging will emphasize:

- Crystal-clear bottle appearance
- Strong, durable PET quality
- Modern, attractive label design
- Tamper-proof sealing for safety assurance
- Clear branding communication

Packaging will visually reflect:

- Freshness
- Cleanliness
- Premium look while remaining affordable

5.5 Target Market Segments

Raha will serve a broad and diversified customer base including:

1. Households and Individual Consumers
2. Retail Shops, Wholesalers & Supermarkets
3. Hotels, Lodges, Restaurants & Bars
4. Schools, Colleges & Training Centers
5. Hospitals & Health Facilities
6. Government Institutions & Offices
7. Corporate Organizations & NGOs
8. Event Planners & Public Gatherings

5.6 Distribution Strategy

The distribution framework will focus on **wide availability and reliability** through:

- Direct sales to wholesalers and regional distributors
- Company delivery trucks servicing key routes
- Distribution partnerships in neighboring regions
- Structured dealer agreements
- Incentive-based distributor relationships

Logistics Approach

- Secure storage and warehousing
- Efficient route planning
- Timely delivery scheduling
- Dedicated distribution coordination team

6. Implementation Timeline

The implementation of the Raha Water Bottling Plant will follow a structured, phased approach to ensure efficiency, compliance and timely completion.

6.1 Phase 1: Planning & Preparatory Stage

Duration: 2–3 Months
Key Activities

- Finalization of business plan and investment structure
- Detailed feasibility assessment of water demand and supply
- Hydrogeological studies and borehole planning
- Engagement with regulatory bodies
- Initial project financing arrangements
- Land securing and site allocation confirmation

Expected Output

- Investment readiness
- Confirmed project location
- Risk assessment completed
- Foundational approvals initiated

6.2 Phase 2: Regulatory Approvals & Compliance

Duration: 2–4 Months (some processes may run concurrently)

Key Approvals

- Tanzania Bureau of Standards (TBS) engagement
- OSHA compliance preparation
- National Environment Management Council (NEMC) environmental processes
- Local government industrial permits
- Borehole drilling licensing

Expected Output

- Full regulatory compliance readiness
- Legally approved operating framework

6.3 Phase 3: Infrastructure Development

Duration: 4–6 Months

Activities

- Site clearing and preparation
- Factory building construction

- Borehole drilling and water system installation
- Internal roads & drainage
- Office and staff facilities
- Storage and warehousing setup
- Electrical power installation
- Plumbing and utility connectivity

Expected Output

- Functional factory structure ready to host machinery
- Reliable water and power infrastructure installed

6.4 Phase 4: Machinery Procurement & Installation

Duration: 3–4 Months

Activities

- Procurement of:
    - RO plant and treatment system
    - PET blow molding machines
    - Monoblock rinsing–filling–capping line
    - Labeling & shrink wrapping machines
    - Quality control laboratory equipment
- Machinery delivery logistics
- Installation and integration
- System alignment and testing

Expected Output

- Fully installed operational production line ready for commissioning

6.5 Phase 5: Staffing, Training & Operational Setup

Duration: 1–2 Months

Activities

- Recruitment of plant personnel
- Technical training and safety orientation
- Establishing Standard Operating Procedures
- Internal quality system setup
- Occupational and safety compliance implementation
- Development of distribution framework

Expected Output

- Fully trained workforce
- Prepared operational systems

6.6 Phase 6: Pilot Production & Market Entry Preparation

Duration: 1 Month

Activities

- Trial production runs
- Product testing and quality certification
- Branding finalization
- Marketing campaign launch preparation
- Distributor engagement and contracts
- Retailer onboarding

Expected Output

- Market-ready certified bottled water
- Activated distribution network

6.7 Phase 7: Commercial Launch

Duration: Ongoing

Activities

- Full-scale production commencement
- Official product launch
- Monitoring of market response
- Commercial expansion to target regions
- Continuous improvement strategy

Expected Output

- Strong market penetration
- Revenue generation begins
- Brand establishment in the region

7. Market Analysis

Raha bottled water is being developed to meet the growing need for safe, affordable and consistently available drinking water in Mpanda and the broader Western Tanzania region. Demand is increasing due to population growth, urbanization and rising health awareness, while supply remains limited because most bottled water currently comes from distant production centers, leading to higher costs and unstable availability. Raha will fill this gap as a trusted, high-quality regional brand.

7.1 Market Overview

Key Area	Situation
Demand Trend	Increasing demand for bottled drinking water
Main Drivers	Health awareness, population growth, lifestyle changes
Current Challenge	Limited local production, high transport costs
Opportunity	Strong need for a reliable regional bottled water supplier
Focus Regions	Katavi, Mpanda, Rukwa, Kigoma, Tabora

7.2 Target Market Segments

Raha will serve a wide and diversified market to ensure strong and stable demand.

Households

- Daily drinking needs
- Urban & peri-urban consumers
- Families prioritizing health and safety

Hospitality & Food Service Sector

- Hotels, guest houses and lodges
- Restaurants and bars
- Event organizers and conference venues

Retail & Commercial Trade

- Supermarkets
- Minimarkets and grocery shops
- Street kiosks and local retailers

Institutions and Organizations

- Schools and colleges
- Hospitals and health facilities
- Corporate offices, NGOs and development agencies

8. Operations & Management

The success of Raha Water Bottling Plant will depend on efficient production operations, strong management systems, reliable distribution, and a competent workforce. The project will operate through well-structured departments, clear responsibilities, and coordinated workflows to ensure quality, consistency, and commercial performance.

8.1 Operational Structure

Raha's operations will be organized around five key functional areas:

Department	Core Role
Production	Day-to-day bottling operations
Quality Control	Water safety, compliance & testing
Maintenance	Machinery & infrastructure reliability
Sales & Marketing	Market presence & revenue growth
Finance & Administration	Financial control & corporate management

Each department will be led by qualified supervisors or managers to ensure accountability and efficiency.

8.2 Staffing Plan

Raha Water Bottling Plant will employ **50 – 70 staff**, consisting of skilled, semi-skilled, and support personnel. Recruitment will prioritize local employment while ensuring technical competence where specialized skills are required.

Staff Composition

- **Skilled Staff**
  - Plant Manager
  - Production Supervisors
  - Engineers & Technicians
  - Quality Control Specialists
- **Semi-Skilled Staff**
  - Machine Operators
  - Packaging Personnel
  - Warehouse & Logistics Staff
- **Support Staff**
  - Drivers
  - Loaders
  - Administrative & support services

Key Functional Teams & Responsibilities

i. Production Team

- Oversees daily bottle manufacturing, filling, capping and packaging

- Ensures production targets are met
- Maintains hygiene and safety during operations

ii. Quality Control Team

- Tests raw water, in-process water and finished product
- Ensures full compliance with **TBS**, **OSHA**, and **NEMC** standards
- Manages batch coding, traceability and documentation
- Maintains quality assurance records

iii. Maintenance Team

- Preventive maintenance of machinery
- Rapid troubleshooting and repairs
- Ensures minimum downtime
- Manages spare parts inventory

iv. Sales & Marketing Team

- Develops market coverage strategies
- Manages customer relationships and distribution partners
- Implements promotional activities and branding initiatives
- Expands market share across target regions

v. Finance & Administration Team

- Financial planning, accounting and reporting
- Payroll and HR management
- Procurement oversight
- Legal and compliance coordination

8.3 Management Approach

The plant will operate under a **Plant Manager / General Manager**, who will oversee overall operations, supported by departmental heads. Routine management systems will include:

- Daily operations reporting
- Weekly performance reviews
- Monthly financial & production reports
- Compliance monitoring and audits
- Continuous improvement initiatives

Standard Operating Procedures (SOPs) will guide every critical activity to maintain consistency, safety, and efficiency.

8.4 Distribution Strategy

A strong and dependable distribution system is essential to ensure Raha bottled water is always available in the market.

Primary Distribution Channels

- **Wholesalers and Distributors**
  - Regional wholesalers supplying retail networks
  - Structured distributor partnerships with incentives
- **Company Delivery Trucks**
  - Direct delivery to key clients and retail outlets
  - Controlled logistics for better reliability
- **Retail Partnerships**
  - Supermarkets
  - Shops & minimarkets
  - Fuel stations
  - Institutional supply agreements

8.5 Distribution Coverage Approach

Level	Coverage Focus
Primary	Mpanda Town & nearby wards
Secondary	Katavi Region trading centers
Expansion	Rukwa, Kigoma, Tabora

Distribution will be phased to ensure strong brand penetration before expansion.

8.6 Logistics & Supply Chain Management

- Dedicated delivery scheduling system
- Proper warehouse storage & stock rotation
- Efficient route planning for fuel and time savings
- Cold chain NOT required (cost advantage)
- Continuous monitoring of distributor performance

8.7 Customer Relationship Management

- Dedicated sales representatives
- Regular retailer support visits
- Complaint handling and service recovery
- Promotional support & visibility placement

9. Financial Plan

The financial outlook for Raha Water Bottling Plant demonstrates strong commercial viability, driven by efficient local production, competitive pricing, and consistent demand growth. The projections below are based on conservative assumptions, reflecting sustainable expansion and prudent cost control.

9.1 Key Financial Assumptions

Item	Projection Basis
Installed Capacity	6,000 Bottles Per Hour
Operational Shifts	Initially 1 shift, scalable to 2
Revenue Growth	10–15% annual increase
Cost Structure	Stable with controlled increases
Profitability Outlook	Improving year-on-year
Capital Investment	TZS 1.5 Billion
Funding Source	Equity + Loans

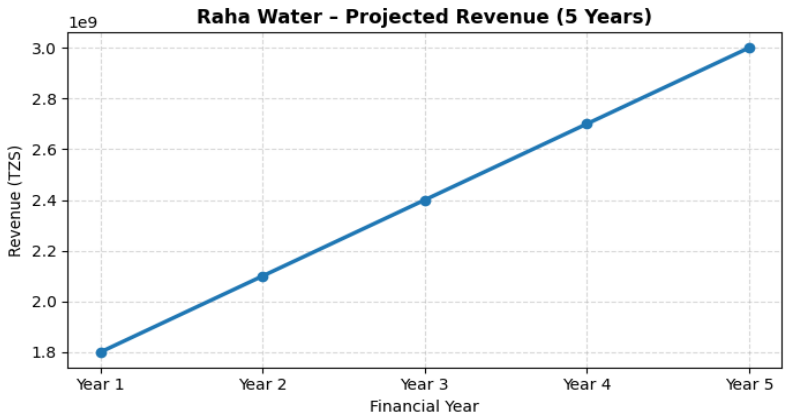
9.2 Five-Year Financial Projection (TZS)

Year	Revenue	Operating Cost	Admin Cost	Marketing	Net Profit
Year 1	1,800,000,000	1,100,000,000	250,000,000	120,000,000	**330,000,000**
Year 2	2,100,000,000	1,250,000,000	300,000,000	140,000,000	**410,000,000**
Year 3	2,400,000,000	1,350,000,000	350,000,000	160,000,000	**540,000,000**
Year 4	2,700,000,000	1,500,000,000	400,000,000	180,000,000	**620,000,000**
Year 5	3,000,000,000	1,650,000,000	450,000,000	200,000,000	**700,000,000**

9.3 Revenue Growth Projection

The chart below illustrates a steady increase in revenue over the five-year period, driven by expanding market coverage, improved sales penetration, and regional brand dominance.

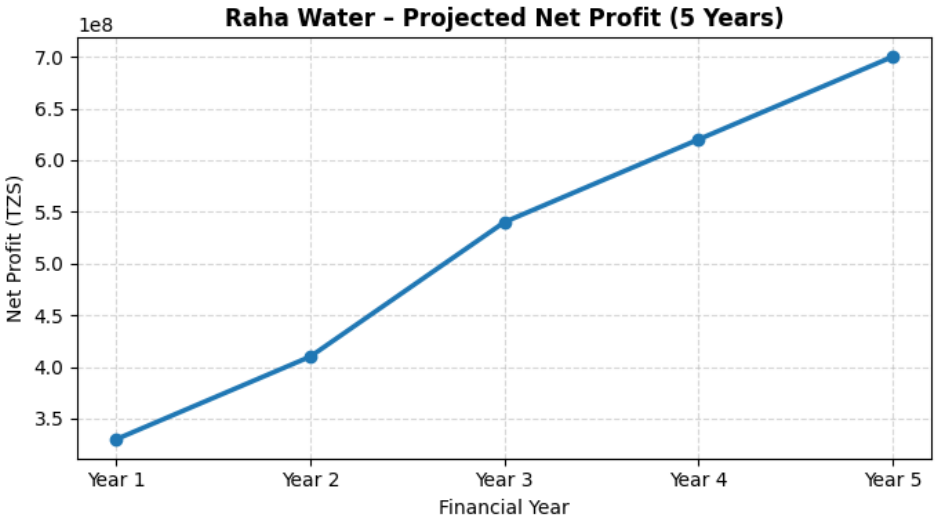
Raha Water – Revenue Growth Projection

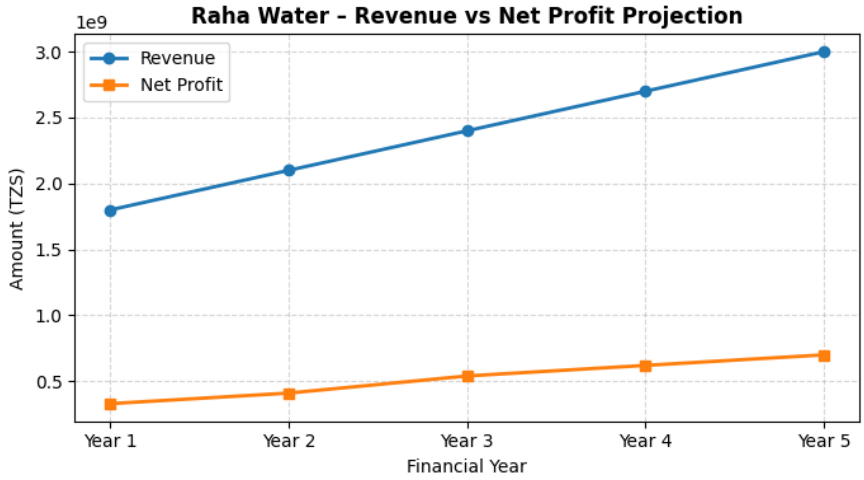


9.4 Net Profit Projection

Net profit shows consistent improvement due to economies of scale, cost efficiency, and strengthening market share.

Net Profit Projection



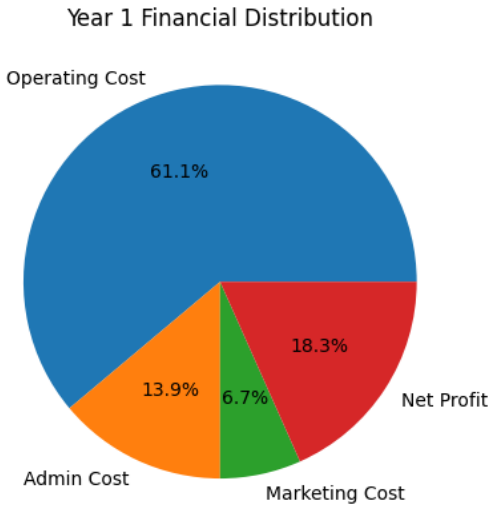


9.5 Cost Structure & Profitability Analysis

Year 1 Financial Structure

This represents the startup operational year, showing major costs dominated by production and setup operational requirements.

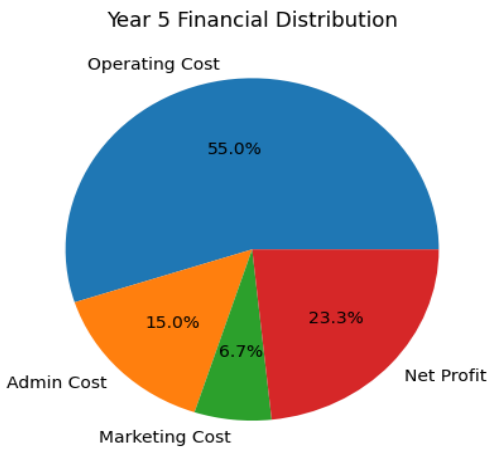
Year 1 Financial Distribution



Year 5 Financial Structure

By Year 5, operational efficiency improves and profit contribution increases significantly due to stabilized costs and increased sales volume.

Year 5 Financial Distribution



9.6 Financial Outlook Summary

Indicator	**Outlook**
Revenue Trend	Positive & upward
Profitability	Improving each year
Cost Efficiency	Stronger over time
Break-Even Position	Within early operational years
Long-Term Stability	Strong

9.7 Overall Financial Conclusion

The financial projections demonstrate that Raha Water Bottling Plant is a **commercially viable and financially sustainable investment**. The business is expected to:

- Generate steadily increasing revenues
- Maintain strong gross margins
- Achieve attractive net profits
- Deliver long-term financial returns

With controlled costs, reliable demand, and a strong market position, Raha is well-positioned to become a leading bottled water brand in Western Tanzania while delivering solid financial performance.

10. Risk Analysis & Mitigation Measures

Like any industrial and commercial investment, the Raha Water Bottling Plant may face various operational, financial, regulatory, environmental and market-related risks. Identifying these risks early and establishing mitigation strategies is essential to ensure business continuity, stable performance and long-term sustainability.

11.1 Key Risks and Mitigation Plan

Risk Area	Description of Risk	Mitigation Strategy
Market Competition	Entry of new competitors or aggressive pricing by existing brands may affect market share and sales volumes.	• Adopt competitive pricing based on lower transport cost advantage • Build a strong, trusted regional brand • Maintain product quality superior to low-cost competitors • Establish long-term distributor and retailer relationships
Water Source Reliability	Insufficient or fluctuating borehole yield, or deterioration of water quality, may disrupt production.	• Conduct detailed hydrogeological assessments • Drill a reliable deep borehole • Maintain backup water storage capacity • Explore possibility of an additional backup borehole if required
Regulatory & Compliance Delays	Delays in obtaining or renewing approvals from TBS, OSHA, NEMC or local authorities may slow operations.	• Early engagement with regulatory institutions • Dedicated compliance management • Maintain required documentation and quality records • Continuous regulatory monitoring
Cost Overruns & Financial Pressure	Rising construction, equipment, operational or logistics costs may strain project finances.	• Strong project management and budgeting controls • Competitive procurement and supplier negotiations • Phased investment expenditure • Maintaining contingency reserves
Distribution & Logistics Challenges	Inefficient distribution may affect product availability and customer satisfaction.	• Structured distributor network • Company-owned delivery fleet for key routes • Clear delivery schedules and route planning • Performance monitoring of distributors
Machine Breakdowns & Technical Failures	Equipment malfunction may cause production stoppages and financial loss.	• Preventive maintenance schedule • Skilled maintenance team • Spare parts availability • Supplier technical support agreements
Quality Failure or Product Recall Risk	Failure to meet water quality standards could damage brand reputation and attract penalties.	• Strict Quality Control System • On-site laboratory testing • Compliance with TBS & international standards • Batch traceability & corrective action procedures
Environmental & Waste Management Risks	Plastic waste and effluent management issues may result in environmental noncompliance.	• NEMC compliance practices • Wastewater management system • Partnership with PET recycling companies • Environmental management policy
Economic & Market Conditions	Inflation, fuel costs, currency fluctuation or economic slowdown may increase operational cost or affect demand.	• Efficient cost management • Localized production advantage • Diversified customer base • Financial planning and cost control
Human Resource & Skills Risk	Shortage of skilled labor or high staff turnover may affect operations.	• Competitive employment conditions • Staff training and capacity building • Clear HR policies and retention strategy • Local workforce prioritization

11.2 Overall Risk Management Approach

Raha Beverages Limited will implement a structured risk management framework that includes:

- Continuous monitoring of business environment
- Regular internal reviews and audits
- Strong governance and management oversight
- Compliance tracking checklist
- Business continuity planning

This approach ensures risks are proactively identified, managed and minimized throughout the project lifecycle.

11.3 Risk Outlook Summary

Risk Level	Status
Operational Risk	Manageable with strong systems
Market Risk	Moderate, mitigated by local advantage
Regulatory Risk	Controlled through compliance
Financial Risk	Manageable with disciplined planning
Environmental Risk	Controlled through best practices

12. Sustainability & Corporate Social Responsibility (CSR)

Raha Beverages Limited is committed not only to commercial success, but also to contributing positively to society, human wellbeing, and environmental sustainability. The company recognizes that access to safe drinking water, responsible manufacturing, and meaningful community engagement are essential to long-term business resilience and social impact.

Raha will embed sustainability principles across its operations through environmental stewardship, social development initiatives, and ethical business practices that support community welfare and national development objectives.

12.1 Social Sustainability – Enhancing Community Wellbeing

One of the core objectives of the project is to support improved quality of life within Mpanda and the wider region by increasing access to safe, hygienic drinking water. Many communities continue to rely on less reliable or unsafe water sources. By offering affordable, certified purified bottled water, Raha contributes to:

- Reduction in water-borne diseases
- Improved public health and wellness
- Safer hydration options for households, schools and institutions

Community Support Initiatives

Raha intends to:

- Support **schools, hospitals, and community events** with water donations where feasible
- Participate in **health awareness programs** promoting proper hydration and hygiene
- Provide discounted or CSR-based supply during emergencies and community needs

These initiatives strengthen community trust and demonstrate the company's commitment to social responsibility beyond profit generation.

12.2 Economic Sustainability – Supporting Local Development

Raha Beverages will play an important role in stimulating regional economic growth by:

- Creating **50–70 direct jobs** for skilled and semi-skilled workers
- Generating **indirect employment** through transporters, distributors, retailers, and service providers
- Supporting local suppliers and businesses through procurement of goods and services
- Contributing to government revenues through taxes and regulatory payments

Where possible, the company will prioritize employment of local residents, skill development, and fair working conditions to build a sustainable workforce and reduce unemployment in the region.

12.3 Environmental Sustainability – Responsible Operations

Raha Beverages acknowledges the environmental impact of industrial activity and is committed to conducting operations responsibly.

Key Environmental Commitments

- Compliance with **NEMC environmental regulations**
- Responsible management of groundwater resources
- Controlled and monitored water extraction
- Proper wastewater handling and safe discharge management
- Adoption of energy-efficient production systems where possible

Environmental responsibility will be integrated into everyday operational decisions to ensure that production growth does not come at the expense of environmental integrity.

12.4 Waste Management & Plastic Recycling

Plastic waste is a major environmental concern globally. Raha will operate with a responsible plastic management approach through:

- Use of high-quality recyclable PET bottles
- Encouragement of bottle collection and recycling initiatives
- Collaboration with registered recycling companies and waste management firms
- Promoting community awareness about plastic waste management

Where possible, the company will explore partnerships with environmental organizations, councils and private recyclers to strengthen plastic recovery initiatives within the region.

12.5 Occupational Health, Safety & Employee Welfare

Sustainability also includes care for employees. Raha will maintain a safe, healthy and supportive workplace environment through:

- OSHA-compliant safety policies
- Workplace hazard prevention measures
- Proper use of protective equipment
- Staff training on health and occupational safety
- Fair employment practices and respectful work culture

Employee wellbeing will be prioritized as an essential pillar of responsible business practice.

13. Conclusion

Raha Water Bottling Plant represents a **commercially viable, socially impactful, and environmentally responsible investment opportunity**. Backed by a clear and growing regional demand for safe drinking water, the project benefits from a robust and expanding market base, a compelling value proposition, and a strong regional identity. Its strategic location in Mpanda significantly reduces logistics costs and enhances supply reliability, providing Raha with a tangible competitive edge over brands transported from distant production centers.

With a modern production facility, advanced purification technology, sound operational structure, and a capable management framework, the project demonstrates strong financial viability through sustainable revenue growth, healthy profitability, and efficient operating costs. Beyond financial returns, Raha Water Bottling Plant will generate meaningful socio-economic benefits through employment creation, support to local businesses, strengthened retail and distribution networks, and improved access to safe drinking water for households, institutions and businesses.

Combined, these factors position Raha to become **the leading bottled water brand in Western Tanzania**, delivering consistent product quality, affordability, reliability, and long-term stakeholder value, while contributing positively to community wellbeing and regional development.