



HALF YEAR RESULTS

The directors are pleased to announce the un-audited financial results for the six months ended 31 December 2015

Consolidated Statement of Comprehensive Income

	2015	2014
	Shs'000	Shs'000
Revenue	10,519,764	9,651,343
Operating profit	492,724	409,764
Other income	3,793	18,537
Foreign exchange losses	<u>(32,626)</u>	<u>(52,088)</u>
Profit before tax	463,892	376,212
Tax expense	<u>(136,703)</u>	<u>(115,014)</u>
Profit for the year from continuing operations	327,189	261,199
Profit for the year from discontinued operations	<u>-</u>	<u>151,042</u>
Profit for the period	<u>327,189</u>	<u>412,241</u>
Attributable to:		
Owners of the parent	214,095	258,439
Non-controlling interest	<u>113,094</u>	<u>153,802</u>
	<u>327,189</u>	<u>412,241</u>
Basic and diluted earnings per share (Shs)		
From continuing operations	2.83	2.12
From discontinued operations	<u>-</u>	<u>1.30</u>
Total	<u>2.83</u>	<u>3.41</u>



BALANCE SHEET AS AT	31 Dec 2015	31 Dec 2014
	Shs'000	Shs'000
ASSETS		
Non Current Assets	3,249,555	2,554,330
Current Assets	6,318,725	6,576,482
Total Assets	9,568,280	9,130,812
EQUITY AND LIABILITIES		
Share Capital	378,535	378,535
Reserves	3,149,924	3,111,010
Minority Interests	2,038,648	1,365,086
Non-Current Liabilities	1,192,878	1,036,001
Current Liabilities	2,808,295	3,240,180
Total Equity and Liabilities	9,568,280	9,130,812



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED**

	31 Dec 2015	31 Dec 2014
	Shs'000	Shs'000
Cash generated from operations	(242,910)	303,671
Tax Paid	(92,397)	(201,643)
Net cash from/(used in) operating activities	(335,308)	102,028
Net cash from/(used in) investing activities	(120,627)	365,617
Net cash from/(used in) financing activities	(83,504)	56,609
Net increase in cash and & cash equivalents	(539,439)	524,254
At the beginning of the period	1,192,705	846,472
At the end of period	653,266	1,370,726



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital Shs'000	Share premium Shs'000	Revaluation surplus Shs'000	Translation reserve Shs'000	Other Reserves Shs'000	Revenue reserve Shs'000	Equity attributable to equity holders Shs'000	Non- controlling interest Shs'000	Total Sh'000
At 1 July 2015	378,535	73,148	745,025	(20,385)	3,432	2,209,594	3,389,349	1,965,930	5,355,279
Profit for the year	-	-	-	-	-	214,095	214,095	113,094	327,189
Other comprehensive Income for the year	-	-	-	722	-	-	722	389	1,111
Total comprehensive income for the year	-	-	-	722	-	214,095	214,817	113,483	328,300
Dividend paid to shareholders	-	-	-	-	-	(75,707)	(75,707)	-	(75,707)
Dividend paid to non - controlling interests	-	-	-	-	-	-	-	(40,765)	(40,765)
At 31 December 2015	378,535	73,148	745,025	(19,663)	3,432	2,347,982	3,528,459	2,038,648	5,567,107

COMMENTARY

Operating profit improved by 20% over prior year, driven by growth in sales volumes and further gains in conversion efficiency. The decline in net profit for the period is primarily attributable to the gain in the prior year from the disposal of the Group's investment in Bullpak Limited.

An increase in overhead costs to support our organisational development, people growth and market growth initiatives, has yielded positive results. Input VAT continues to significantly affect margins because the majority of the Company's products fall under the exempt supplies category. Production and storage capacity expansion initiatives are in progress.

Depreciation of the Kenya and Uganda Shilling against the US Dollar, resulted in significant foreign exchange translation losses, albeit the effect being lower than prior period.

The animal nutrition and health business opened a second sales depot in Thika town to better serve the central Kenya market. Integration of the Ennsvalley Bakery business is in progress with the key focus being to improve production efficiency, to increase plant capacity utilisation and to broaden market presence.

Maize availability remained stable during the period. The situation is not expected to prevail due to harvesting challenges experienced during the El-Niño rains, which has compromised grain quality. Unga remains a significant purchaser of local wheat and continues to work with local farmers and traders in the supply chain.

Operational efficiencies and improved information flow will be realised from the new integrated enterprise business system (ERP) implemented in January 2016.

The Directors do not recommend the payment of an interim dividend.

BY ORDER OF THE BOARD

W Jumba

Company Secretary

25 February 2016