EVEREADY EAST AFRICA LIMITED

ANNOUNCEMENT OF AUDITED RESULTS FOR THE 12 MONTH PERIOD ENDED 30 SEPTEMBER 2014

PROFIT AND LOSS ACCOUNT

	Group		Company	
	30.09.2014	30.09.2013 Restated	30.09.2014	30.09.2013 Restated
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Turnover	1,216,580	1,428,278	1,209,291	1,415,395
Profit from operations	54,812	102,074	70,214	100,200
Plant Closure costs	(246,342)		(246,342)	
Finance costs	(56,483)	(41,961)	(56,477)	(41,961)
Profit before taxation	**(248,013)**	**60,113**	**(232,605)**	**58,239**
Tax charge	70,424	(15,021)	69,838	(14,454)
Profit after tax	**(177,589)**	**45,092**	**(162,767)**	**43,785**
Basic / Diluted earnings per share (Kshs)	**(0.85)**	**0.21**	**(0.78)**	**0.21**
Issued shares of Ksh 1 each	**210,000,000**	**210,000,000**	**210,000,000**	**210,000,000**

BALANCE SHEET

	Group		Company	
	30.09.2014	30.09.2013 Restated	30.09.2014	30.09.2013 Restated
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
NON-CURRENT ASSETS				
Property, plant and equipment	32,548	185,904	26,535	178,665
Prepaid operating lease rentals	198	202	198	202
Investment in Subsidiary			12,754	
Deferred Income tax	126,956	65,956	126,956	64,992
Retirement benefit asset	6,998	5,764	6,998	5,764
Total Non-current Assets	**166,700**	**257,826**	**173,441**	**249,623**
CURRENT ASSETS				
Inventories	502,405	446,584	478,663	421,179
Amount receivable from group companies		-	53,666	43,691
Receivables and prepayments	242,391	214,730	224,576	205,727
Current income tax receivable	9,566	7,868	6,944	6,944
Cash and bank balances	8,995	14,789	4,839	7,668
Total Current Assets	763,357	683,971	768,688	685,209
TOTAL ASSETS	**930,057**	**941,797**	**942,129**	**934,832**

SHAREHOLDERS' FUNDS AND LIABILITIES CAPITAL EMPLOYED

	Group		Company	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Share Capital	210,000	210,000	210,000	210,000
Reserves	1,471	1,334	1,668	1,464
Retained earnings	6,992	184,581	20,513	183,280
Proposed dividends		-	-	-
Total Capital employed	218,463	**395,915**	**232,181**	**394,744**
NON CURRENT LIABILITIES				
Provision for liabilities and charges	118,278	71,900	118,278	71,900
Hire purchase liabilities		-	-	-
Total Non current liabilities	**118,278**	**71,900**	**118,278**	**71,900**
CURRENT LIABILITIES				
Payables and accrued expenses	185,458	208,757	183,812	204,494
Deferred Income tax	21,023	29,963	21,023	28,432
Other Financial Liabilities	91,995	94,359	91,995	94,359
Borrowings	294,840	140,903	294,840	140,903
Total Current liabilities	**593,316**	**473,982**	**591,670**	**468,188**
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES	**930,057**	**941,797**	**942,129**	**934,832**

COMMENTS ON THE RESULTS

The group recorded a decline in revenues compared to last year. This was mainly attributable to:

- A deliberate decision made to reposition our business in Tanzania that resulted to a decline in revenue from that market. However, margin benefits resulting from that decision will improve the business performance in the long run.
- Insecurity affected various segments of our domestic market during the year. As a result, key markets like Coast, Nairobi and North Eastern registered a drop in revenue performance.

Financing costs increased due to a growth in borrowing to cover the financing requirements relating to the closure of the Nakuru plant.

While the Company was able to generate profit from operations of KShs.55 million despite the challenges impacting revenue, profit after tax was a loss of Ksh 177 million as a result of extra ordinary one off costs relating to the plant closure amounting to Ksh 246 million.

By Order of the Board

Mrs Lucy Waithaka, Board Chair Jackson Mutua, Managing Director

STATEMENT OF CHANGES IN EQUITY

GROUP	Share Capital Kshs'000	Translation Reserve Ksh '000	Acturial Reserve Ksh '000	Retained Earnings Ksh '000	Dividends Ksh '000	Total Ksh '000
At 1 October 2012	210,000	-	1,355	139,489	-	350,844
Profit for the period	-	-	-	45,092	-	45,092
Other Comprehensive income		(130)				(130)
OCI Movement(restated)			109			109
Dividends paid in the year	-	-	-	-	-	-
Dividends proposed	-	-	-	-	-	-
At 30 September 2013	**210,000**	**(130)**	**1,464**	**184,581**	**-**	**395,915**
At 1 October 2013 as restated	210,000	(130)	1,464	184,581	-	395,915
Loss for the year	-			(177,589)	-	(177,589)
Other Comprehensive income		(67)				(67)
OCI Movement(restated)			204			204
Dividends paid in the year	-	-	-	-	-	-
Dividends proposed	-	-	-	-	-	-
At 30 September 2014	**210,000**	**(197)**	**1,668**	**6,992**	**-**	**218,463**

COMPANY						
At 1 October 2012	210,000	-	1,355	139,495	-	350,850
Profit for the period	-	-	-	43,785	-	43,785
OCI Movement(restated)			109			109
Dividends paid in the year	-	-	-	-	-	-
Dividends proposed	-	-	-	-	-	-
At 30 September 2013	**210,000**	**-**	**1,464**	**183,280**	**-**	**394,744**
At 1 October 2013 as restated	210,000	-	1,464	183,280	-	394,744
Profit for the period	-	-	204	(162,767)	-	(162,563)
OCI Movement during the year						
Dividends paid in the year	-	-	-	-	-	-
Dividends proposed	-	-	-	-	-	-
At 30 September 2014	**210,000**	**-**	**1,668**	**20,513**	**-**	**232,181**

CASH FLOW STATEMENT

	Group		Company	
	31.09.2014	30.09.2013 Restated	31.09.2014	30.09.2013 Restated
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
OPERATING ACTIVITIES				
Cash generated from operations	(88,053)	234,269	(64,989)	261,904
Finance Costs	(56,483)	(41,961)	(56,477)	(41,961)
Tax paid	(1,698)	(924)	-	-
Net cash generated from operating activities	**(146,234)**	**191,384**	**(121,466)**	**219,943**
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(11,681)	(51,384)	(10,755)	(43,373)
Proceeds on sale of property, plant and equipment	548	760	548	760
Amounts advanced to group companies		-	(9,975)	(43,691)
Investment in subsidiary company			(12,754)	
Net cash used in investing activities	**(11,133)**	**(50,624)**	**(32,936)**	**(86,304)**
FINANCING ACTIVITIES				
Changes in other financial liabilities	(2,364)	(91,269)	(2,364)	(91,269)
Net cash used in financing activities	**(2,364)**	**(91,269)**	**(2,364)**	(91,269)
(Decrease)/increase in Cash and cash equivalents	**(159,731)**	**49,491**	**(156,766)**	**42,370**
Cash and cash equivalents at the beginning of the period	(126,114)	(175,605)	(133,235)	(175,605)
Cash and cash equivalents at the end of the period	**(285,845)**	**(126,114)**	**(290,001)**	**(133,235)**

Outlook

The business diversification and other initiatives being pursued by the Company through the 2013-2017 strategic plan will provide the impetus necessary for sustainability and growth.

The commercial orientation of the business, following the closure of the plant, has given the business the necessary flexibility in responding to ever changing and challenging business environment and we expect to start realizing the benefits of that decision.

We continue to focus on our consumer by expanding our portfolio of products and brands beyond our traditional offerings. We continue to avail the world renowned brands of EVEREADY®, ENERGIZER®, SCHICK® and now TURBO® notwithstanding the Nakuru plant closure and look forward to introducing our consumers to other new quality brands in FY2015. We will also unveil our plans for the real estate development in Nakuru as we work towards realizing our vision to be the partner of choice within the region in the provision of lifestyle solutions.

ABOUT EVEREADY EAST AFRICA LIMITED

EVEREADY East Africa Ltd is a public limited liability company incorporated in Kenya. The Company is headquartered in Nairobi, Kenya and was founded in 1967. The Company distributes 'EVEREADY®' dry cell 'D' size and size 'AA' carbon zinc primary batteries and 'ENERGIZER®' alkaline and rechargeable batteries throughout the East African region and also provides flashlights under both brand names for a broad spectrum of usage and shaving razors, blades and accessories under the brand name 'SCHICK®'. EVEREADY has also recently introduced the TURBO® brand of automotive batteries as well as its newest range of luminaries under the brand name EVEREADY®.

The above extract is based on the audited accounts of Eveready East Africa Limited for the twelve months period ended 30 September 2014.

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