EVEREADY®
EAST AFRICA LIMITED

audited financial result for the year ended september 30, 2011

The board of directors of Eveready East Africa Ltd. are pleased to announce the audited financial result for the Company for the year ended september 30, 2011

PROFIT AND LOSS ACCOUNT

	30.09.2011 KSh'000	30.09.2010 KSh'000
Turnover	1,374,847	1,635,106
Profit from operations	(43,707)	72,633
Finance costs	(129,501)	(57,887)
Profit before taxation	(173,208)	14,746
Tax charge	49,214	(6,043)
Profit after tax	(123,994)	8,703
Basic / Diluted earnings per share (Kshs)	**(0.59)**	**0.04**
Issued shares of Ksh 1 each	**210,000,000**	**210,000,000**

STATEMENT OF CHANGES IN EQUITY

	Share Capital KSh'000	Retained Earnings KSh'000	Dividends KSh'000	Total KSh'000
At 1 October 2009	210,000	184,696	-	394,696
Profit for the period	-	8,703	-	8,703
Dividends paid in the year	-	-	-	-
Dividends proposed	-	-	-	-
At 30 September 2010	**210,000**	**193,399**	-	**403,399**
At 1 October 2010	210,000	193,399	-	403,399
Profit for the period	-	(123,994)	-	(123,994)
Dividends paid in the year	-	-	-	-
Dividends proposed	-	-	-	-
At 30 September 2011	**210,000**	**69,405**	-	**279,405**

COMMENT ON THE RESULTS:

The Company registered a 16% decline in net sales compared to 2010.

The major contributors to the performance were: high inflation rates which rose over the period and peaked at 17.3% in September, 2011 from the 3.1% recorded in October, 2010 impacting consumers' discretionary spend; the drought situation that affected major segments of the D battery market; the depreciation of the local currency by 22% in the fiscal year resulting in an increase in the cost of inputs and KShs.87M in foreign exchange losses - although over 90% of the amount was unrealized by year end.

The Company implemented various medium term plans to address the trend in performance by adopting; additional cost saving measures, increased targeted marketing activities and a change management approach to operations. These actions resulted to; improvements in factory efficiencies which helped mitigate the increase in cost of production experienced in the year associated with loss of volume and currency issues, a review of the Company's route to market strategies resulting to the restructure of the Company's distribution operations in both the export and local markets in order to achieve efficiency and effectiveness, proactive engagement with channel partners at various levels and adoption of a new electronic sales data collection and reporting system which has and continues to improve our route to market programs from the perspective of planning execution and oversight.

The Company bottomline performance was further impacted by a sum of KShs.53M made to cater for waste management and slow moving machinery spares. A further Ksh.15M was paid to the Defined Benefit pension scheme to address a funding deficit arising from the down turn in the equities market. The payment was made in order to facilitate the closure of the scheme.

The above factors contributed to a net loss of KShs.124M compared to a net profit of KSh.9M in 2010.

Going forward, the Company will continue to fast track its short and medium term plans by finalizing its reviews of personnel and operational requirements and implementing improvements to its business model.

Dividend

The Directors do not recommend the payment of dividend.

By Order of the Board

Jackson Mutua, **Managing Director**

Hon. A. Moody Awori, **Board Chairman**

BALANCE SHEET

	30.09.2011 KSh'000	30.09.2010 KSh'000
NON-CURRENT ASSETS		
Property, plant and equipment	201,286	225,018
Prepaid operating lease rentals	209	211
Deferred tax	76,112	26,859
Retirement benefit asset	5,593	339
Total Non-current Assets	283,200	252,427
CURRENT ASSETS		
Inventories	509,131	685,669
Receivables and prepayments	188,339	243,711
Current income tax receivable	6,944	7,299
Cash and bank balances	23,250	6,718
Total Current Assets	727,664	943,397
TOTAL ASSETS	**1,010,864**	**1,195,824**
SHAREHOLDERS' FUNDS AND LIABILITIES		
CAPITAL EMPLOYED		
Share Capital	210,000	210,000
Retained earnings	69,405	193,399
Proposed dividends	-	-
Total Capital employed	279,405	403,399
NON CURRENT LIABILITIES		
Provision for liabilities and charges	53,300	97,500
Deferred Income Tax	25,776	26,092
Total Non current liabilities	79,076	123,592
CURRENT LIABILITIES		
Payables and accrued expenses	216,531	229,029
Hire purchase liabilities	-	-
Borrowings	435,852	439,804
Total Current liabilities	652,383	668,833
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES	**1,010,864**	**1,195,824**

CASH FLOW STATEMENT

	30.09.2011 KSh'000	30.09.2010 KSh'000
OPERATING ACTIVITIES		
Cash generated from operations	161,281	(15,942)
Finance costs	(129,501)	(57,887)
Income tax paid	0	0
Net cash generated from operating activities	**31,780**	**(73,829)**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,359)	(54,941)
Proceeds on sale of property, plant and equipment	63	248
Net cash used in investing activities	**(11,296)**	**(54,693)**
FINANCING ACTIVITIES		
Dividends paid on ordinary shares	0	0
Proceeds from borrowings	0	0
Repayments of borrowings	0	(4,055)
Net cash used in financing activities	**0**	**(4,055)**
(Decrease)/increase in Cash and cash equivalents	**20,484**	**(132,577)**
Cash and cash equivalents at the beginning of the period	(433,086)	(300,509)
Cash and cash equivalents at the end of the period	**(412,602)**	**(433,086)**

About Eveready East Africa Ltd.

Eveready East Africa Ltd is a public limited liability company incorporated in Kenya. The Company is headquartered in Nairobi, Kenya and operates a manufacturing faccility in Nakuru, Kenya. Eveready was incorporated in 1967 and has a workforce of over 300 people.

The Company is the largest supplier of portable power power solutions in East Africa and also trades in personal care products. The world class brands under its portfolio include EVEREADY, ENERGIZER & SCHICK. It's portable power portfolio include a wide spectrum of dry cell batteries - size "D" "C" 'AA' "AAA", 9 volt available in carbon zinc, alkaline and rechargeable constructions and assorted flashlights for a broad spectrum of usage. The Company's personal care range includes shaving solution - razors & blades for men and women.

The above extract is based on the accounts of Eveready East Africa Limited for the year ended September 30, 2011 as audited by BDO Associates, upon which an unqualified opinion has been issued.









Energizer
EVEREADY
Schick
Playtex

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