EVEREADY EAST AFRICA LIMITED

Announcement of Results for the Six Month Period Ended 31 March 2014

STATEMENT OF COMPREHENSIVE INCOME

	GROUP	Company	
	31.03.2014 Kshs'000	31.03.2014 Kshs'000	31.03.2013 Kshs'000
Revenue	736,205	706,914	701,900
Cost of Sales	(530,604)	(508,070)	(532,174)
Gross Profit	**205,601**	**198,844**	**169,726**
Other Income	1,171	1,171	859
Operating Expenses	(143,179)	(138,398)	(130,888)
Operating Profit(loss)	**63,593**	**61,617**	**39,697**
Finance costs	(18,758)	(18,758)	(23,297)
Profit(loss) before taxation	**44,835**	**42,859**	**16,400**
Taxation	15,423	15,258	7,320
Profit(loss) after tax	**29,412**	**27,601**	**9,080**
Other comprehensive income	-	-	-
Total comprehensive income(loss)	**29,412**	**27,601**	**9,080**
Earnings per share			
Per share information			
Basic earnings per share	0.15	0.14	0.04
Issued shares of Ksh 1 each	210,000,000	210,000,000	210,000,000

STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs'000	Foreign Currency trans reserves Kshs'000	Retained Income Kshs'000	Total Equity Kshs'000
GROUP				
Balance at 01 October 2012	210,000		139,489	349,489
Change in equity				
Total comprehensive income for the year	-	(130)	45,411	-
Total change	210,000	(130)	184,900	349,489
Balance at 01 October 2013	210,000	(130)	184,900	394,770
Change in equity				
Total comprehensive income for the year	-	-	29,412	29,412
Total change	210,000	(130)	214,312	424,182
Balance at 31 March 2014	210,000	(130)	214,312	424,182
Company				
Balance at 01 October 2012	210,000	0	139,489	349,489
Change in equity				
Total comprehensive income for the year	-	-	44,104	44,104
Total change	210,000	0	183,593	393,593
Balance at 30 September 2013	210,000	0	183,593	393,593
Balance at 01 October 2013	210,000	0	183,593	393,593
Change in equity				
Total comprehensive income for the year	-	-	27,601	27,601
Total change	210,000	0	211,194	421,194
Balance at 31 March 2014	210,000	0	211,194	421,194

STATEMENT OF FINANCIAL POSITION

	GROUP		Company	
	31.03.2014 Kshs'000	30.09.2013 Kshs'000	31.03.2014 Kshs'000	30.09.2013 Kshs'000
ASSETS				
Non-current Assets				
Property, Plant and Equipment	187,367	185,904	172,460	178,665
Prepaid Operating Lease Rentals	200	202	206	202
Deferred tax	65,484	66,448	65,484	65,484
Retirement Benefit Asset	4,127	4,127	4,127	4,127
	257,178	256,681	242,277	248,478
Current Assets				
Inventories	527,193	446,584	510,537	421,179
Amount Receivable from group companies			60,201	43,691
Trade and other Receivables	289,347	214,730	297,630	205,727
Current tax receivable	-	7,868	-	6,944
Cash and Cash Equivalents	26,366	14,789	4,659	7,668
	842,906	683,971	873,027	685,209
Total Assets	1,100,084	940,652	1,115,304	933,687
EQUITY & LIABILITY				
Equity				
Share Capital	210,000	210,000	210,000	210,000
Reserves	(130)	(130)	-	-
Retained income	214,312	184,900	211,194	183,593
Total Equity	424,182	394,770	421,194	393,593
Liabilities				
Non-Current Liabilities				
Deffered Tax	30,832	29,963	30,832	28,432
Provision for Liabilities and Charges	67,235	71,900	67,235	71,900
	98,067	101,863	98,067	100,332
Current Liabilities				
Other Financial liabilities	122,136	94,359	122,136	94,359
Trade and other payables	206,359	208,757	224,732	204,500
Current Tax Payable	6,079	-	5,914	-
Bank overdraft	243,261	140,903	243,261	140,903
	577,835	444,019	596,043	439,762
Total Liabilities	675,902	545,882	694,110	540,094
Total Equity and Liabilities	1,100,084	940,652	1,115,304	933,687

STATEMENT OF CASHFLOWS

	GROUP		Company	
	31.03.2014 Kshs' 000	30.09.2013 Kshs' 000	31.03.2014 Kshs' 000	30.09.2013 Kshs' 000
Cash flows from operating activities				
Cash generated from operations	(94,931)	234,269	(93,008)	261,904
Finance costs	(18,626)	(41,961)	(18,626)	(41,961)
Tax Paid	-	(924)	-	-
Net Cash from Operating Activities	(113,557)	191,384	(111,634)	219,943
Cash flows from investing activities				
Purchase of property, plant & equipment	(5,002)	(51,384)	(5,002)	(43,373)
Disposal of property, plant & equipment	-	760	-	760
Amount Advanced to group companies	-	-	(16,510)	(43,691)
Net cash from investing activities	(5,002)	(50,624)	(21,512)	(86,304)
Cash flows from financing activities				
Changes in other financial liabilities	27,778	(91,269)	27,778	(91,269)
Net cash from financing activities	27,778	(91,269)	27,778	(91,269)
Total Cash movement for the year	(90,781)	49,491	(105,368)	42,370
Cash at beginning of year	(126,114)	(175,605)	(133,235)	(175,605)
Cash and cash equivalent at the end of the period	(216,895)	(126,114)	(238,603)	(133,235)

COMMENTS ON THE RESULTS

The Kenya and Ugandan units registered a 21% and 4% growth in revenues respectively over prior year. The Tanzania operations however registered a 34% decline in revenues compared to prior year which resulted to a 5% overall growth performance in revenues by the Group. We continue to work on challenges affecting our operations in Tanzania. Finance cost declined by 19% compared to the same period last year assisted by stability in the forex market.

The above factors coupled with prudent cost management resulted in profit before tax of Ksh. 44.8M, a 173% growth over prior year.

Cash from operations registered a negative growth mainly due to investments in diversification programmes. The benefit of these initiatives are expected to be realised within the next 12 months.

Outlook

Management is confident that the measures put in place to implement the 2013-2017 strategic plan will continue to bear positive results and will sustain the Company on a growth path into the future.

By Order of the Board

Mrs Lucy Waithaka, **Board Chair** Jackson Mutua, **Managing Director**

The above extract is based on the unaudited accounts of Eveready East Africa Ltd. for the six months ended 31 March 2014

The principal accounting policies adopted in the preparation of the financial statements are similar to those applied in the previous financial statements

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