

KAKUZI LIMITED

EXTRACT FROM THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD OF SIX MONTHS TO 30 JUNE 2016

The unaudited results for the Kakuzi Group for the period of six months to 30 June 2016 and the comparative figures for the previous year are as follows:

Condensed Consolidated Statement of Comprehensive Income		
	30 June 2016	Restated
	Shs'000	30 June 2015
		Shs'000
Sales	<u>437,347</u>	<u>420,173</u>
(Loss)/Profit before fair value gain in Biological assets and income tax	(109,297)	(33,858)
Fair value gain in Biological assets	<u>57,693</u>	<u>37,411</u>
(Loss)/Profit before income tax	<u>(51,604)</u>	<u>3,553</u>
Income tax credit/(expense)	<u>16,366</u>	<u>(1,117)</u>
(Loss)/Profit for the period	<u>(35,238)</u>	<u>2,436</u>
Other Comprehensive Income	-	-
Total comprehensive (Loss)/income	<u>(35,238)</u>	<u>2,436</u>
Total comprehensive (loss)/income attributable to equity holders of the company:	<u>(35,238)</u>	<u>2,436</u>
	Shs	Shs
Earnings per share attributable to equity holders of the company:		
Basic and diluted earnings per stock unit	<u>(1.80)</u>	<u>0.12</u>

Condensed Consolidated Statement of Financial Position			
	30 June 2016	Restated	Restated
	Shs'000	30 June 2015	31 December 2015
		Shs'000	Shs'000
EQUITY			
Share capital	98,000	98,000	98,000
Other reserves	8,936	3,981	8,936
Retained earnings	3,135,304	2,811,683	3,170,542
Proposed dividends	-	-	98,000
Total equity	<u>3,242,240</u>	<u>2,913,664</u>	<u>3,375,478</u>
Non-current liabilities	<u>699,444</u>	<u>699,653</u>	<u>712,787</u>
	<u>3,941,684</u>	<u>3,613,317</u>	<u>4,088,265</u>
REPRESENTED BY			
Non-current assets	<u>2,922,894</u>	<u>2,676,157</u>	<u>2,833,891</u>
Current assets	634,409	503,175	448,150
Cash and cash balances	731,663	665,083	1,175,434
Current liabilities	<u>(347,282)</u>	<u>(231,098)</u>	<u>(369,210)</u>
Net current assets	<u>1,018,790</u>	<u>937,160</u>	<u>1,254,374</u>
	<u>3,941,684</u>	<u>3,613,317</u>	<u>4,088,265</u>

Overview:

The above is an extract from the interim financial statements which have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The company has fully adopted the amendments to the International Accounting Standard (IAS) 41 – Agriculture and our permanent plantings are now classified under IAS 16 – property, plant and equipment as bearer plants to be depreciated over their expected useful life. This has resulted in the original reported profit before tax for the six month period to 30th June 2015 of Ksh 63.8 million being restated to Ksh 3.5 million.

The loss before tax for the period under review is Ksh 51.6 million. This somewhat disappointing result has been mainly due to lower tea prices, lower livestock sales and the delay of macadamia sales due to awaiting completion of the cracking facility construction.

To predict financial performance for the year is impossible at this stage with the irregularities of supply and demand together with exchange rates to contend with.

The Directors do not recommend the payment of an Interim Dividend.

BY ORDER OF THE BOARD

K W TARPLEE
CHAIRMAN
02 August 2016