

KAKUZI LIMITED
EXTRACT FROM THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD OF SIX MONTHS TO 30 JUNE 2013

The unaudited results for the Kakuzi Group for the period of six months to 30 June 2013 and the comparative figures for the previous year are as follows:

Condensed Consolidated Statement of Comprehensive Income		
	30 June 2013 Shs'000	30 June 2012 Shs'000
Sales	428,988	336,109
Profit before fair value gain in Biological assets and income tax	91,857	98,521
Fair value gain in Biological assets	21,015	18,025
Profit before income tax	112,872	116,546
Income tax expense	(35,700)	(45,303)
Profit for the period from continuing operations	77,172	71,243
Profit for the period from discontinued operations	-	32,147
Profit for the period	77,172	103,390
Other comprehensive income	-	-
Total comprehensive income	77,172	103,390
Total comprehensive income attributable to:		
Equity holders of the company:		
Profit for the period from continuing operations	77,172	71,243
Profit for the period from discontinued operations	-	16,235
Profit for the period attributable to equity holders of the company	77,172	87,478
Non-controlling interest: Profit for the period from discontinued operations	-	15,912
	77,172	103,390
Earnings per share attributable to equity holders of the company:		
	Shs	Shs
Basic and diluted earnings per stock unit – continuing operations	3.94	3.63
Basic and diluted earnings per stock unit – discontinued operations	-	0.83
	3.94	4.46

Condensed Consolidated Statement of Financial Position			
	30 June 2013 Shs'000	30 June 2012 Shs'000	Audited 31 December 2012 Shs'000
EQUITY			
Share capital	98,000	98,000	98,000
Other reserves	(1,289)	2,413	(1,289)
Retained earnings	2,708,186	2,412,635	2,631,014
Proposed dividends	-	-	73,500
Attributable to company's equity holders	2,804,897	2,513,048	2,801,225
Non-controlling interest	-	193,880	-
Total equity	2,804,897	2,706,928	2,801,225
Non-current liabilities	648,843	601,566	624,452
	3,453,740	3,308,494	3,425,677
REPRESENTED BY			
Non-current assets	2,422,813	2,315,269	2,334,227
Current assets	349,114	263,717	339,933
Cash and cash equivalents	859,697	526,403	897,540
Assets classified as held for sale	-	675,303	-
Current liabilities	(177,884)	(188,883)	(146,023)
Liabilities classified as held for sale	-	(283,315)	-
Net current assets	1,030,927	993,225	1,091,450
	3,453,740	3,308,494	3,425,677

Overview:

The above is an extract from the interim financial statements which have been prepared in accordance with the International Financial Reporting Standards (IFRS). Tea profit levels are lower primarily driven by lower prices as a result of high production levels. This negative impact has been alleviated to some extent by improved early season Hass avocado profit levels. The smallholder Fuerte season was reasonable though volumes were lower as compared to last year. Volumes of our own Hass avocado are expected to be much lower compared to last year and pricing levels are, as yet, not quantifiable.

As often repeated, in our business, predicting the future is difficult. We have a high interest rate economy with to date a relatively strong currency. Demand continues for our export crops but downward pricing pressure is unprecedented due to supply competition trends particularly in Europe. The company remains fully committed to its current development phase with strong cash reserves which your Directors believe are necessary to continue to realise the potential of Kakuzi Limited.

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

BY ORDER OF THE BOARD

K W Tarplee
Chairman
23 August 2013