

KAKUZI PLC

EXTRACT FROM THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD OF SIX MONTHS TO 30 JUNE 2018

The unaudited results for the Kakuzi Group for the period of six months to 30 June 2018 and the comparative figures for the previous year are as follows:

Condensed Consolidated Statement of Comprehensive Income

	30 June 2018 Shs'000	30 June 2017 Shs'000
Sales	613,118	547,277
Profit before fair value gain in non-current biological assets and income tax	361,927	85,462
Fair value gain in non-current biological assets	20,641	20,000
Profit before income tax	382,568	105,462
Income tax expense	(112,114)	(32,259)
Profit for the period	270,454	73,203
Other Comprehensive Income	-	-
Total comprehensive income	270,454	73,203
Total comprehensive income attributable to equity holders of the company:	270,454	73,203
	Shs	Shs
Earnings per share attributable to equity holders of the company:		
Basic and diluted earnings per ordinary share	13.80	3.73

Condensed Consolidated Statement of Financial Position

	30 June 2018 Shs'000	30 June 2017 Shs'000	31 December 2017 Shs'000
EQUITY			
Share capital	98,000	98,000	98,000
Other reserves	16,607	14,872	16,607
Retained earnings	4,340,683	3,688,989	4,070,229
Proposed dividends	-	-	137,200
Total equity	4,455,290	3,801,861	4,322,036
Non-current liabilities	871,632	836,733	807,190
	5,326,922	4,638,594	5,129,226
REPRESENTED BY			
Non-current assets	3,402,413	3,037,497	3,338,922
Current assets	1,292,927	884,675	758,455
Cash and cash equivalents	1,297,393	1,143,772	1,648,749
Current liabilities	(665,811)	(427,350)	(616,900)
Net current assets	1,924,509	1,601,097	1,790,304
	5,326,922	4,638,594	5,129,226

Condensed Consolidated Cashflow Statement

	30 June 2018 Shs'000	30 June 2017 Shs'000
Cash and cash equivalents at the beginning of the year	1,648,749	1,430,576
Net cash used in operating activities	(144,726)	(27,778)
Net cash used in investing activities	(69,430)	(141,426)
Net cash used in financing activities	(137,200)	(117,600)
Decrease in cash and cash equivalents	(351,356)	(286,804)
Cash and cash equivalents at the end of the period	1,297,393	1,143,772

Condensed Consolidated Statement of Changes in Equity

	Share capital Shs'000	Other reserves Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Total Equity Shs'000
On 1.1.2018	98,000	16,607	4,070,229	137,200	4,322,036
Profit for the period	-	-	270,454	-	270,454
Dividends paid	-	-	-	(137,200)	(137,200)
On 30.6.2018	98,000	16,607	4,340,683	-	4,455,290

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 profit before tax for the period to 30 June 2018 was KSh382.60 million compared to a profit of KSh105.5 million for the same period last year.

During the period under review, tea profits improved due to higher volumes and firm prices in the first quarter. Avocado results are significantly improved on last year's performance due to increased volumes and a strong winter market in Europe. Macadamia and Forestry results made a positive contribution to profits.

However, given the volatility that has now crept in to the markets, the trading picture for the second half of the year is very difficult to predict, particularly as this is the time when the vast majority of the avocado crop is sold.

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

BY ORDER OF THE BOARD

G H MCLEAN

CHAIRMAN

14 August 2018