



28 July 2016

## UAC of Nigeria PLC

Unaudited results for the half year ended 30 June 2016

### UAC OF NIGERIA PLC REPORTS 2% YEAR ON YEAR TOPLINE DECLINE FOR THE HALF YEAR ENDED 30 JUNE 2016

UAC of Nigeria PLC (“UACN”), the leading diversified conglomerate headquartered in Lagos, Nigeria with operations in foods, paints, logistics and real estate, announces today its unaudited results for the half year ended 30 June 2016.

Speaking from the Corporate Head Office in Lagos - Nigeria, Larry Ettah, UAC of Nigeria PLC Group Managing Director & CEO commented:

*“The sluggish market conditions experienced in the first quarter of the year subsisted in the second quarter, compounded by lost sales opportunities due to shortages in gas and fuel supplies, critical raw and packaging materials and forex volatility. Unremitting inflation at 16.5% in June, estimated 1.5% contraction of the economy in Q2 and over 40% official devaluation of the naira explain the vivid and profound impact on consumer spending. The security situation in the North-East is improving and should signpost a better business environment in the region. However, the burgeoning militancy in the South-South region has significantly reduced Government’s crude oil export revenues with negative impact on Government/consumer spend.*

*Rising costs of raw and packaging materials continue to crimp margins in our businesses as declining purchasing power and competitive pressures motivate only minimal retail price increases, despite accelerating costs.*

*Recent changes in foreign exchange policy and liberalisation of refined petroleum pricing should address shortages in these areas and are growth positive, going forward. We are pursuing earnings stability in H2 by focusing on what we can control in these uncertain times – cost optimisation, innovation, product enhancements, internal controls and technology. We anticipate FY16 will be broadly in line with FY15”*

### **Group Financial Highlights**

- Turnover of N36.8 billion, down 2% (N37.7 billion June 2015)
- Gross Profit of N8.2 billion, down 4% (N8.5 billion June 2015)
- Other Income of N514 million, down 1% (N520 million June 2015)
- Profit Before Tax of N3.9 billion, down 7% (N4.2 billion June 2015)
- Profit After Tax of N2.6 billion, down 16% (N3.1 billion June 2015)
- Gross Profit Margin of 22% (23% June 2015)
- PBT Margin of 11% (11% June 2015)
- EPS (Annualised) of 157 kobo (179 kobo June 2015)
- ROE (Annualised) of 7% (8% June 2015)<sup>1</sup>
- Gearing ratio of 0.39x (0.35x December 2015)<sup>2</sup>

### **Company Financial Highlights**

- Turnover of N427.9 million, up 3% (N415.8 million June 2015)
- Operating Profit of N1 billion, up 43% (N700 million June 2015)
- Other Income of N23 million (N174.97 million June 2015)
- Profit Before Tax of N1.69 billion, up 17% (N1.44 billion June 2015)
- Profit After Tax of N1.42 billion, up 17% (N1.21 billion June 2015)
- EPS (Annualised) of 148 kobo (126 kobo June 2015)
- ROE (Annualised) of 13% (11% June 2015)

### **For further information please contact:**

Abdul Bello (Chief Financial Officer)  
Bamidele Adewole (Investor Relations)

abello@uacnplc.com  
badewole@uacnplc.com

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<sup>1</sup> ROE is calculated by dividing the profit after tax by total equity

<sup>2</sup> Gearing Ratio is calculated by dividing total interest bearing liabilities by total equity

UAC of Nigeria PLC (UAC), a diversified company has for over a century played a prominent role in the development of Nigeria. UAC's growth strategy consists in building strong partnerships with leading regional and international corporations to drive effective business transformation and deliver sustainable growth.

UAC operates through the following subsidiaries:-

- Grand Cereals Limited manufactures and markets Grand Soya Oil, Vital Poultry/Fish Feeds, Binggo Dog Feed and Grand Maize Meals.
- UAC Foods Limited, a joint venture business with Tiger Brands Limited, offers the award winning Gala Sausage Roll, Funtime Coconut Chips, Supreme Ice Cream, Delite Fruit Juice & Swan Bottled Spring Water
- UAC Restaurants Limited, a joint venture with Famous Brands Limited, manages the network of Quick Service Restaurants across Nigeria under the market leading Mr Biggs' brand, Debonairs Pizza & Steers.
- MDS Logistics Limited, a joint venture with Imperial Logistics, is the leading integrated supply chain solutions provider in Nigeria with distribution centres across Nigeria.
- UACN Property Development Company Plc (UPDC) is a foremost property development and management company quoted on the Nigerian Stock Exchange.
- CAP Plc, the Akzonobel technical licensee of Dulux, is the leading decorative paint producer in Nigeria.
- Livestock Feeds Plc is an animal feeds operation with mills in Lagos and Aba
- Portland Paints and Products Nigeria Plc is a leading paint manufacturer in Nigeria with a strong brand, broad product range and nationwide distribution network.
- UNICO CPFA Limited, a closed pension fund administrator dedicated to servicing the pension needs of UAC employees

For more information visit [www.uacnplc.com](http://www.uacnplc.com)

## **uac...doing good**

### **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

*This announcement contains or will contain forward-looking statements which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend" "estimate", "project", "target", "risks", "goals" and similar terms and phrases have been used to identify the forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. UAC of Nigeria Plc cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the Company's disclosure materials filed from time to time with Securities & Exchange Commission in Nigeria. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*