



**28 July 2017**

**UAC of Nigeria PLC**

**Unaudited results for the first half ended 30 June 2017**

**UAC OF NIGERIA PLC REPORTS 32% YEAR ON YEAR TOPLINE GROWTH FOR  
THE HALF YEAR ENDED 30 JUNE 2017**

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 2017.

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

*“Revenue growth of 32% was achieved mainly from our animal feeds category and completed projects of our real estate segment.*

*Macro-economic gains of declining inflation rate and energy cost and improved availability of foreign exchange are negated by worsening road conditions, port delays and erosion of consumer purchasing power.*

*Input cost pressures impacted operations across board, particularly in the animal feeds and snacks categories as margin accretion trails the replenishment of inventory at presently stable foreign exchange rates. We expect margin rehabilitation in H2 as we unwind expensive inventory earlier procured back end of Q4 2016 to Q1 2017.*

*At the June 2017 Annual General Meeting of shareholders of the Group, a Rights Issue of up to N15.4 billion was approved; the proceeds will be deployed primarily towards equity injection in Grand Cereals Ltd and working capital support for the subsidiaries. This equity cure, along with execution of the strategic steps being taken by UPDC will, going forward, provide the group with optimal financing and significantly de-escalate elevated finance costs, which stood at N3.5 billion for the six months ended 30th June, 2017 (H1.2016 –N994 million)*

*The proceeds of the N740 million Rights Issue of Livestock Feeds were received in July while the allotment under the N5.16 billion Rights Issue of UPDC is awaiting SEC approval.*

*We remain focused on driving improved performance in H2 to achieve stable returns in FY 2017”.*

#### **Group Financial Highlights**

- Turnover of N48.4 billion, up 32% year on year (N36.8 billion June 2016)
- Gross Profit of N7.7 billion, down 6% (N8.2 billion June 2016)
- Operating Profit of N3.7 billion, up 11% (N3.3 billion June 2016)
- Other Income N1.4 billion, up 164% (N514 million June 2016)
- Profit Before Tax of N1.6 billion, down 58% (N3.9 billion June 2016)
- Profit After Tax of N1.2 billion, down 55% (N2.6 billion June 2016)
- Gross Profit Margin of 16% (22% June 2016)
- Operating Profit Margin of 8% (9% June 2016)
- Annualised EPS of 104 kobo (156 kobo June 2016)
- Annualised ROE of 3% (7% June 2016)
- Gearing ratio of 0.4x (0.39x Dec 2016)

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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, Bingo 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 & 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)

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### **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.*