



PRESS RELEASE

Lagos, Nigeria - 30 March 2018

UACN Reports PBT of ₦3.3 Billion for the Twelve Months Ended 31 December 2017

Lagos, 30 March 2018 - UAC of Nigeria PLC (“UACN”) today announced its full year results (audited) for the period ending 31 December 2017.

Group Highlights

- Turnover of ₦89.2 billion, growth of 8% year on year (₦82.6 billion December 2016)
- Gross Profit of ₦16 billion, down 6% (₦16.9 billion December 2016)
- Gross margin 18%; 21% in December 2016
- Operating Profit Margin of 8% (10% December 2016)
- Profit Before Tax of ₦3.3 billion, down 61% (₦8.4 billion December 2016)
- EPS of 50k (195k December 2016); Company 160k (137k December 2016)
- Proposed Dividend - 65k

Commenting on the performance for the year, Mr. Abdul Bello, Group CEO, stated:

“Despite the challenging environment, the Group reported strong top-line growth with revenues up 8% year-on-year. This was driven by the Foods & Beverage and Paints sectors contributing 80% and 11% respectively. However, the increase in revenues did not translate into an improvement in margins, mainly due to increase in input and finance costs.

Input costs increases which could not be passed to customers due to lowered purchasing power and fierce competitive activities put significant pressure on margins. The real estate business faced substantial challenges of high interest rates and recessionary pressures that hampered its Cash Generation Plan.

The team is undertaking a holistic business review to reposition the Group”.

Segment Performance Review

In million ₦	FY 2017	FY 2016	Var %
Revenue			
<i>Food and beverages</i>	71,583	64,134	12%
<i>Paints</i>	9,424	8,763	8%
<i>Logistics</i>	4,119	4,651	-11%
<i>Real Estate</i>	3,880	4,842	-20%
In million ₦	FY 2017	FY 2016	Var %
Profit Before Tax			
<i>Food and beverages</i>	2,511	4,335	-42%
<i>Paints</i>	2,302	2,300	0%
<i>Logistics</i>	840	1,678	-50%
<i>Real Estate</i>	-3,057	-1,231	
Gearing (end of period)	0.34	0.39	

The **Foods and Beverage segment** contributed 80% to the Group Revenue, and recorded y-o-y growth of 12%. This segment comprises Grand Cereals, UAC Foods, Livestock Feeds and UAC Restaurants.

The **Paints segment** contributed 11% to the Group Revenue, and recorded y-o-y growth of 8%. This segment comprises of CAP PLC and Portland Paints PLC.

The **Logistics segment** contributed 5% to the Group Revenue, and overall was down by 11% y-o-y.

The **Real Estate segment** contributed 4% to the Group Revenue, and was down on by 20% y-o-y.

Foods and Beverage



Grand Cereals Limited:

Turnover ₦48.2bn, up 30% (₦37.2bn December 2016) *Growth on turnover was a combination of volume and price increases.*

Profit before tax ₦1.8bn down 39% (₦3.0bn December 2016). *Decline on profit mainly due to high input and finance costs*



UAC Foods Limited:

Turnover of ₦14.4bn, down 9% (₦15.8bn December 2016), *decrease on account of slow recovery of volumes.*

Profit before Tax of ₦1.4bn, up 19% (₦1.1bn December 2016)

Increase due to controlled costs and improved working capital management



Livestock Feeds PLC:

Turnover of ₦10.2bn, down 8% (₦11.1bn December 2016), *decrease due to reduced bird population and fierce competition*

Loss before Tax of ₦726mn, (Profit ₦224mn December 2016)

Loss mainly due to increase in input and finance costs



UAC Restaurants Limited:

Turnover of ₦1.24bn, up 5% (₦1.18bn December 2016), *increase mainly due to price increase*

Profit before tax of ₦51mn, (Loss of ₦27.6m December 2016)

Profit due to reduced operating costs

Paints



CAP PLC:

Turnover of ₦7.1bn, up 4% (₦6.8bn December 2016), *growth mainly due to price increase*

Profit before Tax of ₦2.2bn, down 5% (₦2.3bn December 2016), *decline in profit mainly due to increase in input costs*



Portland Paints PLC:

Turnover of ₦2.3bn, up 26% (₦1.8bn December 2016), increase due to combination of price and volume growth

Profit before tax of ₦124m, (₦7.5mn December 2016, growth in profit mainly due to reduced finance cost



Turnover of ₦5.0bn, down 6% (₦5.3bn December 2016), decline mainly due to reduction of client volume

Profit before tax of ₦840mn, down 50% (₦1.7bn December 2016)
Decline in profit mainly due to 2016 one-off items and increased costs



Turnover of ₦4.0bn, down 20% (₦5.0bn December 2016)
Decline mainly due to reduction in housing inventory sales/collections

Loss before Tax of ₦3.1bn, (₦1.2bn December 2016)
Increase in loss mainly driven by high finance costs due to high borrowing rates and inability to pass finance costs to unsold inventory

Conference Call

A conference call will be held on 5 April 2018 at 15:00 (Lagos) / 14:00 (London) /11:00 (New York). The presentation will be accessible via <http://www.uacnplc.com/investor-page/>. The dial in details for the conference call will be circulated later.

Preliminary Financial Calendar

Q1 2018 results communicated)	30 April 2018 (conference call details to be
AGM 2018	20 June 2018
Q2 2018 results communicated)	30 July 2018 (conference call details to be
Q3 2018 results communicated)	29 October 2018 (conference call details to be

For further information, please contact:

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About UAC

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 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.

For more information visit www.uacnplc.com

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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 because of new information, future events or otherwise.