

DANGOTE FLOUR MILLS PLC

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

	31.12.2013	31.12.2012		30.09.2013
	Current	Prior Period	% Change	Prior Year
	N'000	N'000	%	N'000
Revenue	8,364,193	9,670,617	-13.5%	29,960,419
Cost of Sales	(7,905,117)	(9,806,419)	19.4%	(29,317,791)
Gross Profit	459,076	(135,802)	-438.0%	642,628
Distribution/Admin and Other Expenses	(2,651,707)	(1,064,574)	-149.1%	(6,873,868)
Other Income	-	-		233,975
Impairment of Trade Receivables	-	-	-100.0%	-
Operating Profit/ (Loss)	(2,192,631)	(1,200,376)	-82.7%	(5,997,265)
Finance Costs	(690,928)	(571,294)	-20.9%	(2,364,956)
Interest Received	8,392	-		19,927
Profit/(Loss) before Tax	(2,875,167)	(1,771,670)	-62.3%	(8,342,294)
Income Tax expense	(99,366)	443,338	-122.4%	1,577,990
Profit/Loss After Tax From Continuing Operations	(2,974,533)	(1,328,332)	-123.9%	(6,764,304)
Profit/Loss After Tax From Discontinuing Operations	167,677	919,486	-81.8%	(452,697)
Profit/Loss After Tax	(2,806,856)	(408,846)	-586.5%	(7,217,001)
Attributable to Owners of the Company:				
Owners of the parent	(2,946,368)	(670,172)	-339.6%	(7,932,996)
Fully Diluted Earnings per Share	(235.7)	(53.6)	-339.6%	(211.5)
Profit/ (Loss) for the year	(2,806,856)	(408,846)	-586.5%	(7,217,001)
Actuarial Gains/ (Loss) - Assumption	-	-	0.0%	-
Actuarial Gains/ (Loss) - Experience	-	-	0.0%	-
Total Comprehensive Income/ (loss) for the year	(2,806,856)	(408,846)	-586.5%	(7,217,001)
Attributable to:				
Owners of the parent	(2,946,368)	(670,172)	-339.6%	(7,932,996)
Non-Controlling Interest	139,512	261,326	-46.6%	715,995
	(2,806,856)	(408,846)	-586.5%	(7,217,001)
Basic and diluted earnings per share	(235.7)	(53.6)	-339.6%	(211.5)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.12.2013	31.12.2012		30.09.2013
	Current Period	Prior Period	% Change	Prior Year
	N'000	N'000	%	N'000
Property, plant and equipment	29,242,897	44,048,647	-33.6%	30,002,456
Deferred Tax Assets	2,896,528	1,621,122	78.7%	2,896,528
Net non-current asset held for sale and disposal groups	-	-		8,209,783
Total Non Current Assets	32,139,425	45,669,769	-29.6%	41,108,767
Inventories	8,027,116	12,946,862	-38.0%	9,372,457
Debtors and Other Receivables	5,611,961	11,931,588	-53.0%	7,789,466
Short Term loans	6,349,310	5,083,533	24.9%	6,183,288
Cash and cash equivalents	3,396,521	1,817,266	86.9%	1,423,664
Total Current Assets	23,384,908	31,779,249	-26.4%	24,768,875
Trade and Other Payables	9,810,825	10,650,425	-7.9%	11,992,752
Current Financial liabilities	21,398,028	26,272,129	-18.6%	23,440,364
Current Tax Liabilities	339,066	401,155	-15.5%	238,448
Total Current Liabilities	31,547,919	37,323,709	-15.5%	35,671,564
Non-Current Financial liabilities	8,611,259	10,692,375	-19.5%	9,646,302
Provisions	-	1,254,329	100.0%	-
Deferred Tax Liabilities	2,453,251	2,855,079	-14.1%	2,453,251
Total Non-Current Liabilities	11,064,510	14,801,783	-25.2%	12,099,553
Working Capital	(8,163,011)	(5,544,460)	-47.2%	(10,902,689)
Net Assets	12,911,904	25,323,526	-49.0%	18,106,525
Non Controlling Interest	(452,910)	1,079,348	-142.0%	1,795,343
Attributable to Owners of the Company	13,364,814	24,244,178	-44.9%	16,311,182

STATEMENT OF CHANGES IN EQUITY						
	Share Capital	Capital Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at Beginning of the Prior Year (1 Jan 2013)	2,500,000	18,116,249	3,627,929	24,244,178	1,079,348	25,323,526
Changes in Accounting Policy				-	0	-
Restated Balance				-	0	-
Changes in Equity for the Prior Year:			-	-	0	-
Issued Share Capital				-	0	-
Dividend	-		-	-	0	-
Total Comprehensive Income			(7,932,996)	(7,932,996)	715995	(7,217,001)
Balance as at End of the Prior Period (30 Sep 2013)	2,500,000	18,116,249	(4,305,067)	16,311,182	1,795,343	18,106,525
Changes in Equity Current year: 2013				-	0	-
Issued Share Capital				-	0	-
Disposal of discontinued operations	-		-	-	(2,387,765)	(2,387,765)
Total Comprehensive Income	-		(2,946,368)	(2,946,368)	139,512	(2,806,856)
Balance as at End of the period (31 Dec 2013)	2,500,000	18,116,249	(7,251,435)	13,364,814	(452,910)	12,911,904

STATEMENT OF CASH FLOW	31.12.2013	31.12.2012	
	Current Year	Prior Year	% Change
	N'000	N'000	%
Cash Flow from Operating Activities	(403,497)	786,229	-151.3%
Operating Cash Flow before Working Capital Changes	(403,497)	786,229	-151.3%
Net Cash Generated from Operating Activities	(871,114)	(852,230)	-2.2%
Cash Flow from Investing Activities	7,468,639	(432,471)	1827.0%
Cash Flow from Financing Activities	(2,667,656)	1,773,454	-250%
Net Increase/Decrease Cash and Cash Equivalent	3,929,869	488,753	704%
Transfer To Assets Held For Sale	-	-	-
Cash and Cash Equivalent Beginning of the Year	(976,249)	(596,649)	-63.6%
Cash and Cash Equivalent End of the Year	2,953,620	(107,896)	2837.5%
CORPORATE ACTION			
Proposed Bonus	NIL		
Proposed Dividend	NIL		
Closure Date	NOT APPLICABLE		
Date of Payment	NOT APPLICABLE		
AGM Date	TO BE ADVISED		
AGM Venue	TO BE ADVISED		

DANGOTE FLOUR MILLS PLC (“DFM “or “the Company”)

TRADING UPDATE

FOR THE FIRST TRADING QUARTER ENDED 31 DECEMBER 2013

Turnover from continuing operations for the first quarter of the current financial year, which amounted to Naira 8.4billion, was 13.5% lower than the corresponding figure last year. In line with the accounting treatment adopted for the financial period ended 30 September 2013, the Dangote AgroSacks business has been accounted for as a discontinued operation. Whilst the disposal remains subject to regulatory approval, proceeds of Naira 7.5 billion were received in December 2013.

Trading conditions continue to be challenging in an intensely competitive environment, with ongoing volume pressures resulting from rising input costs. The situation is exacerbated by the significant over-supply of capacity in the wheat milling industry, whilst the impact of price discounting in the market continues to place pressure on margins. This has led to an operating loss for the quarter of Naira 2.2billion which is inclusive of non-recurring historical statutory costs of Naira 777million. This compares to an operating loss of Naira 1.2billion incurred in the corresponding prior period. The increase in financing costs, due to higher debt levels, resulted in a pre-tax loss of Naira 2.9billion versus a loss of Naira 1.8billion in the corresponding prior period.

The turnaround in the performance of DFM over the medium term remains a key objective, which is receiving focused management attention.

The information in this trading update has not been reviewed or reported on by the Company’s auditors.