

DANGOTE FLOUR MILLS PLC

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

	30.09.2014	30.09.2013	
	Current	Prior Period	% Change
	N'000	N'000	%
Revenue	41,268,771	29,960,419	37.7%
Cost of Sales	(38,872,328)	(29,317,791)	-32.6%
Gross Profit	2,396,443	642,628	272.9%
Distribution/Admin and Other Expenses	(7,539,291)	(6,743,190)	-11.8%
Other Income	302,997	233,975	29.5%
Impairment of plant and equipment and investment	(1,592,372)	-	0.0%
Loss on significant disposals of property	-	(130,678)	0.0%
Operating Profit/ (Loss)	(6,432,223)	(5,997,265)	-7.3%
Finance Costs	(2,863,188)	(2,364,956)	-21.1%
Interest Received	10,398	19,927	-47.8%
Profit/(Loss) before Tax	(9,285,013)	(8,342,294)	-11.3%
Income Tax expense	3,006,708	1,577,990	90.5%
Profit/Loss After Tax From Continuing Operations	(6,278,304)	(6,764,304)	7.2%
Profit/Loss After Tax From Discontinuing Operations	168,797	(452,697)	137.3%
Profit/Loss After Tax	(6,109,507)	(7,217,001)	15.3%
Attributable to Owners of the Company:			
Owners of the parent	(6,219,904)	(7,932,996)	21.6%
Fully Diluted Earnings per Share	(124.40)	(158.66)	21.6%
Profit/ (Loss) for the year	(6,109,507)	(7,217,001)	15.3%
Total Comprehensive Income/ (loss) for the year	(6,109,507)	(7,217,001)	15.3%
Attributable to:			
Owners of the parent	(6,219,904)	(7,932,996)	21.6%
Non-Controlling Interest	110,397	715,995	-84.6%
	(6,109,507)	(7,217,001)	15.3%
Basic and diluted earnings per share	(124.40)	(158.66)	21.6%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.09.2014	30.09.2013	
	Current Period	Prior Period	% Change
	N'000	N'000	%
Property, plant and equipment	26,342,645	30,002,456	-12.2%
Deferred Tax Assets	4,928,320	2,896,528	70.1%
Net non-current asset held for sale and disposal groups	-	8,209,803	0.0%
Total Non Current Assets	31,270,965	41,108,787	-23.9%
Inventories	5,429,059	9,372,457	-42.1%
Debtors and Other Receivables	6,933,989	7,789,466	-11.0%
Short Term loans	6,619,923	6,183,288	7.1%
Cash and cash equivalents	4,547,552	1,423,664	219.4%
Total Current Assets	23,530,523	24,768,875	-5.0%
Trade and Other Payables	9,841,355	11,992,772	-17.9%
Current Financial liabilities	28,665,342	23,440,364	22.3%
Current Tax Liabilities	171,276	238,448	-28.2%
Total Current Liabilities	38,677,973	35,671,584	8.4%
Non-Current Financial liabilities	5,044,448	9,646,302	-47.7%
Provisions	-	-	-100.0%
Deferred Tax Liabilities	1,470,936	2,453,251	-40.0%
Total Non-Current Liabilities	6,515,384	12,099,553	-46.2%
Working Capital	(15,147,450)	(10,902,709)	-38.9%
Net Assets	9,608,132	18,106,525	-46.9%
Non Controlling Interest	(483,145)	1,795,343	-126.9%
Attributable to Owners of the Company	10,091,277	16,311,182	-38.1%

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)	715,995	(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: 2014				-	0	-
Issued Share Capital				-	0	-
Disposal of discontinued operations	-		-	-	(2,388,885)	(2,388,885)
Total Comprehensive Income	-		(6,219,905)	(6,219,905)	110,397	(6,109,508)
Balance as at End of the year (30 Sep 2014)	2,500,000	18,116,249	(10,524,972)	10,091,277	(483,145)	9,608,132

STATEMENT OF CASH FLOW	30.09.2014	30.09.2013	
	Current Year	Prior Year	% Change
	N'000	N'000	%
Cash Flow from Operating Activities	(964,459)	6,547	-14831.3%
Operating Cash Flow before Working Capital Changes	(964,459)	6,547	-14831.3%
Net Cash Generated from Operating Activities	(3,963,781)	1,161,040	-441.4%
Cash Flow from Investing Activities	6,464,545	(545,657)	1284.7%
Cash Flow from Financing Activities	1,640,420	(3,680,591)	144.6%
Transferred to assets held for sale	-	2,196,855	
Net Increase/Decrease Cash and Cash Equivalent	4,141,184	(868,353)	576.9%
Cash and Cash Equivalent Beginning of the Year	(976,249)	(107,896)	-804.8%
Cash and Cash Equivalent End of the Year	3,164,935	(976,249)	424.2%
CORPORATE ACTION			
Proposed Bonus	NIL		
Proposed Dividend	NIL		
Closure Date	NOT APPLICABLE		
Date of Payment	NOT APPLICABLE		
AGM Date	TBA		
AGM Venue	TBA		

DANGOTE FLOUR MILLS PLC**Commentary: Financial performance for the year ending September 2014**

While the performance for the full year 2014 was disappointing, there was a gradual and sustained improvement quarter by quarter. The business recovered from a poor first quarter and recorded a 15% topline growth in the last quarter over the corresponding period of 2013. Procurement efficiencies, improved flour extraction and other cost efficiency measures led to substantially improved margins as compared to 2013.

Whilst these results reflect the difficult and competitive trading environment in which the business operates, many actions have been taken to address the challenges faced by the company. The actions taken have resulted in a progressive improvement in the trading loss (excluding once-off items and exchange rate gains) over the 4 quarters from N 1.415 billion in Q1 to N 1.118 billion in Q2 to N 0.894 billion in Q3 to N 0.726 billion in Q4. The business was EBITDA positive in the fourth quarter.

During the year, the company conducted a review of the carrying value of its assets and based on current market realities, has decided to impair certain of its manufacturing assets. The 2014 group results include an impairment of N1.592 billion, being the carrying value of surplus assets the business is unlikely to use in the foreseeable future.

Outlook

The company's controlling shareholder, Tiger Brands Limited is committed to supporting DFM's turnaround efforts. This commitment is evidenced by the ongoing funding provided to the company by Tiger Brands. The company expects to continue topline growth in 2015 through a more competitive portfolio, introduction of premium products and increased levels of brand support. This turnover growth coupled with the efficiency measures which have been put in place is expected to result in a further reduction in losses.