



PRESS RELEASE

Flame Tree Group Earnings Per Share increases 37% in First Full Listed Year

- **Group revenue for FY 2015 up by 29%**
- **Operating profit increases 86% from KES 139m to KES 259m**
- **Caps successful FY 2015 with acquisitions and launch of new brands**

April 27th 2016, Nairobi... Flame Tree Group (NSE: FTGH) has today reported strong performance for its first full financial year since listing on the Nairobi Securities Exchange (NSE). The company reported a 37% increase in EPS to KES 1.36.

Flame Tree Group listed on NSE's Growth Enterprise Market Segment (GEMS) in October 2014 and has announced strong profitability growth in all subsequent financial announcements.

The Group outperformed other manufacturing companies, as well as GEMS listed companies – with its manufacturing vertical contributing 75% of the total revenue. Flame Tree Group operates in two verticals, manufacturing (of plastics; cosmetics; and food) and trading. FY 2015 saw it make substantive capital investments in expanding its manufacturing capability and product lines.

Commenting on the results, Flame Tree Group CEO, Heril Bangera says, "In the face of increasing competition and a tough economic environment, we have made considerable progress on our strategic plans, to generate an 86% increase in our normalized operating profits. The acquisitions made in foods, snacks and cosmetics capped off FY 2015 really well for us."

Flame Tree Group's FY 2015 acquisitions were in the cosmetics and snacks sub-sectors. The first acquisition since listing was Chirag Kenya's food and snacks brands – *Natures Own, Chigs, Honeycomb* and *Gonuts*.

Heril Bangera says, "The addition of the new brands in FY 2015 doubled the size of the food portfolio, enabling cross-promotional opportunities for complementary brands and products. We're really pleased with how the integration of the new brands has gone and we're excited about the domestic food production category across the region."

In FY 2015, the company also acquired the haircare brands from Beauty Plus Trading East Africa – *Miss Africa, Black Angel* and *Beautyplus*,



Flame Tree Group annual net sales for FY 2015 increased 29% to KES 2.28 billion, compared to net sales of KES 1.76 billion in FY 2014. Operating profit before gain on disposal of property, plant and equipment increased to KES 259 million, compared to KES 139 million in FY 2014. Profit before tax was up by 37% to KES 198 million from KES 144 million in FY 2014.

Flame Tree Group operates across two business verticals, manufacturing and trading, in six countries. Its strategy is to build a diversified portfolio of African-manufactured brands for African consumers, covering plastics, cosmetics and food in multiple markets and verticals.

Heril Bangera says, “In 2016, our focus will be on investing in our brands and building the foundation for accelerated growth in 2017. We see more potential for innovation in our portfolio – particularly with our new Creative Director, Suzie Wokabi on board. Our customers’ needs and purchasing behaviors are changing and we’re focused on providing great African brands at a variety of affordable price points.”

For a copy of Flame Tree Group’s audited financial statements, please visit www.flametreegroup.com.

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About Flame Tree Group

Flame Tree Group is listed under the Growth and Enterprise Market Segment (GEMS) on the Nairobi Securities Exchange (NSE) as NSE: FTGH. Flame Tree Group is a world-class corporation in the heart of Africa that manufactures and distributes quality and affordable brands. It is a customer-centric, results-driven and forward thinking company.

The Group has operations in Kenya, Rwanda, Ethiopia, Mauritius, Mozambique and UAE. It operates in cosmetics, plastics, food snacks and trading. The company was founded in 1989 and now employs over 1,000 people, who are focused on delivering quality, value and innovation to improve customer’s lives.

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