



Audited Financial Results for the year ended 31 December 2016

Consolidated statement of profit or loss and other comprehensive Income

	2016	2015
	Shs	Shs
Revenue	2,544,628,524	2,283,151,865
Cost of Sales	<u>(1,640,312,183)</u>	<u>(1,476,312,127)</u>
Gross Profit	904,316,341	806,839,738
Other operating income	5,412,643	1,501,921
Selling and distribution costs	(329,112,443)	(260,515,766)
Administrative expenses	(297,491,883)	(244,278,863)
Other operating expenses	<u>(45,267,509)</u>	<u>(44,531,016)</u>
Operating profit before gain on disposal of PPE	237,857,149	259,016,014
Gain on disposal of PPE	<u>837,365</u>	<u>2,086,323</u>
Operating profit after gain on disposal of PPE	238,694,514	261,102,337
Finance costs	<u>(62,719,621)</u>	<u>(62,714,891)</u>
Profit before tax	175,974,893	198,387,446
Tax	<u>(30,994,408)</u>	<u>(19,539,360)</u>
Profit for the year	144,980,485	178,848,086
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<u>(7,735,562)</u>	<u>40,985,924</u>
Total comprehensive income for the year	<u>137,244,923</u>	<u>219,834,010</u>
Earnings per share	<u>0.90</u>	<u>1.10</u>
Earnings per share - total comprehensive income for the year	<u>0.85</u>	<u>1.36</u>



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2016 Shs	2015 Shs Restated*	2014 Shs Restated*
Assets			
Non-current assets	380,779,799	273,027,038	203,846,151
Current assets	1,140,414,966	1,053,504,227	805,722,217
Total Assets	<u>1,521,194,765</u>	<u>1,326,531,265</u>	<u>1,009,568,368</u>
Shareholders' funds and liabilities			
Share capital	133,540,084	133,540,084	133,540,084
Share premium	152,450,453	152,450,453	152,450,453
Legal reserves	3,665,461	3,665,461	2,549,637
Retained earnings	391,195,569	246,215,084	68,482,822
Translation reserve	38,315,235	46,050,797	5,064,873
Shareholders' Funds	<u>719,166,802</u>	<u>581,921,879</u>	<u>362,087,869</u>
Current liabilities	745,102,050	641,999,959	518,494,707
Non-current liabilities	56,925,913	102,609,427	128,985,792
Tota Shareholders' Funds and liabilities	<u>1,521,194,765</u>	<u>1,326,531,265</u>	<u>1,009,568,368</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	2016 Shs	2015 Shs
Operating activities		
Net cash from operating activities	35,662,579	130,973,685
Net cash (used in) investing activities	(124,503,569)	(92,068,742)
Net cash (used in) financing activities	(20,877,782)	(39,366,478)
Increase/(Decrease) in cash and cash equivalents	<u>(109,718,771)</u>	<u>(461,535)</u>
Movement in cash and cash equivalents		
Cash and cash equivalents at 1 January	13,684,023	47,190,220
Increase/(Decrease) in cash and cash equivalents	(109,718,771)	(461,535)
Effect of exchange rate changes	(5,678,316)	(33,044,662)
Cash and cash equivalents at 31 Decemeber	<u>(101,713,064)</u>	<u>13,684,023</u>



PRESS RELEASE

- **Group revenue for FY 2016 up by 11.5%**
- **Gross profit increases 12.1% from KES 904.3m**

April 28th 2017, Nairobi. Flame Tree Group Holdings (FTGH: NSE) the diversified manufacturer and distributor of plastic tanks, cosmetics and snacks is pleased to announce its financial performance for FY2016.

The Group reported growth in its annual net sales for FY 2016 of 11.5% to KES 2.5 billion, compared to net sales of KES 2.3 billion in FY 2015. The Gross Profit increased by 12.1% year on year to KES 904.3 million, while gross profit margins remained stable at 35.5% (35.3% during the same period the previous year).

Operating profit declined to KES 237.8 million, compared to KES 259.0 million in FY 2015. Largely impacted by a 22.3% increase in operating costs to KES 671.8 million. Selling and distribution expenses faced one – off impact from Suzie beauty retail chain expansion as well as new Mozambique factory expenses in the period. Management anticipates the Group's investments in the acquired brands and continued development of a strong retail presence to bear positively on revenues and Group profitability in the longer term.

The Company has also decided to make a significant provision against receivables from supermarkets in Kenya that have been extremely slow to pay. As a result of these factors, profit after tax declined 18.9% to KES 144.9 million from KES 178.8 million in FY 2015, representing earnings per share of KES 0.90.

Bonus Issue

The Directors are recommending for approval, at the forthcoming Annual General Meeting, a 1:10 bonus issue in respect of the Financial Year ended 31 December, 2016. The indicative timetable for the allotment, listing and trading of the bonus shares is as presented hereunder.

FTGH Bonus Issue Timetable

Activity	Date
Record Date	29-Jun-17
Shares Credited to CDS accounts	21-Aug-17
Commencement of Trading	22-Aug-17



Annual General Meeting

Details of the Annual General Meeting of the Company will be announced in due course.

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

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. 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.

The Group has operations in Kenya, Rwanda, Ethiopia, Mauritius, Mozambique and UAE. 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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