

LIMURU TEA PLC.

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017.

The Board of Directors is pleased to announce the company's unaudited results for the Six months ended 30th June 2017.

STATEMENT OF FINANCIAL POSITION	As At 30.06.17	As At 30.06.16
CAPITAL EMPLOYED	Shs'000	Shs'000
Share capital	24,000	24,000
Retained Earnings & reserves	185,887	230,260
Profits for the period	(4,506)	4,373
Proposed dividend	-	-
Total equity	205,382	258,633
Non Current Liabilities		
Deferred income tax	22,243	39,227
Post employment benefit obligation	26,454	20,471
	48,698	59,698
Total equity and Non-Current Liabilities	254,079	318,331
REPRESENTED BY		
Non Current Assets		
Property, plant and equipment	140,902	11,067
Biological assets	6,574	176,278
	147,476	187,345
Current Assets		
Receivables	118,457	159,240
Current income tax-Asset	15,827	-
Cash at bank and in hand	2,813	7,248
Biological Asset green leaf	2,097	-
Inventory	250	466
	139,445	166,955
Current Liabilities		
Trade and other payables	34,772	25,855
Current income tax-Liability	(1,931)	10,115
	32,841	35,969
Net Current Assets	106,603	130,986
	254,079	318,331

CONDENSED STATEMENT OF CASH FLOWS	As at 30.07.16	As at 30.06.16
	Shs '000	Shs '000
Net cash from operating activities	4,973	7,405
Net cash used in investing activities	(9,568)	(8,817)
Net cash used in financing activities		
Decrease in cash and cash equivalents	(4,595)	(1,413)
Movement in cash and cash equivalents		

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At start of year	7,409		8,661
Increase	(4,595)		(1,413)
At end of June	2,814		7,248

CONDENSED STATEMENT OF COMPREHENSIVE INCOME			
	Jan-June 2017		Jan-June 2016
	Shs '000		Shs '000
Turnover	33,618		59,276
Profit before income tax	(6,437)		6,247
Income tax (expense)	1,931		(1,874)
Profit attributable to the shareholders	(4,506)		4,373
Issued shares of Kshs. 10 each	2,400,000		2,400,000
Earnings per share (Shs)	(1.88)		1.82
Total Dividends per share (Shs)	-		-

CONDENSED STATEMENT OF CHANGES IN EQUITY				
	Share Capital	Retained Earnings & reserves	Proposed Dividend	Total
	Shs '000	Shs '000	Shs '000	Shs '000
Balance at 1 January 2016	24,000	227,860	2,400	254,260
Total recognized income for 2016	-	4,373	-	4,373
Dividends				
-Final Paid For 2015			-	-
-Proposed final for 2016		-	-	
Balance as at 30th June 2016	24,000	232,233	2400	258,633
Balance at 1 January 2017	24,000	185,887	-	205,712
Total recognized income for 2017	-	(4,506)	-	4,373
Dividends				
-Final Paid For 2016			-	-
-Proposed interim for 2017		-	-	
Balance as at 30th June 2017	24,000	181.381	0	205,382

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COMMENTARY

Performance

In the first half of 2017, the company produced 926 Tons of green leaf, which in turn was manufactured into 216 Tons of black tea. This was a 45% decrease in Made Tea volumes compared to the first half of 2016.

Total revenues decreased by 43% to Kes 34 million in the period compared to Kes 59 million realised in the same period of 2016. This decrease in the first half of 2017 was due to a drop in production volumes as a result of unfavourable weather conditions experienced in first quarter.

The company posted a pre-tax loss of Kes 6.4 million in the first half of 2017 compared to a pre-tax profit of Kes 6.2 million in 2016.

Dividend

The Directors do not recommend an interim dividend.

Prospects

The first half of 2017 experienced unfavourable weather conditions which adversely impacted on volumes.

If the current weather conditions persist for the rest of the year, the full year crop is expected to be lower than last year, hence the 2017 performance therefore is expected to be modest.

Dr Richard Korir

CHAIRMAN

11th September 2017