GHANA STOCK EXCHANGE

PRESS RELEASE

PR. No 334/2016

FAN MILK LTD (FML) -
UNAUDITED FINANCIAL STATEMENTS FOR
THE THIRD QUARTER ENDING SEPTEMBER 2016

FML has released its un-audited Financial Statements for the third quarter ending September 30, 2016 as per the attached.

Issued in Accra, this 27th day of October, 2016.

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att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, FML
4. NTHC Registrars, (Registrars for FML shares)
5. Central Securities Depository
6. SEC
7. GSE Council Members
8. GSE Notice Board

For enquiries, contact:

General Manager/Head of Listings, GSE on 0302 669908, 669914, 669935
**JEB*

FAN MILK LIMITED

Un-Audited Financial Statements for the nine months ended September 30, 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	2016 GH¢'000	2015 GH¢'000
Revenue	**275,271**	**221,739**
Cost of Sales	(138,520)	(110,131)
Gross Profit	**136,751**	**111,608**
Distribution Costs	(55,599)	(48,298)
Administrative Expenses	(17,737)	(13,125)
Depreciation & Amortisation	(9,830)	(9,003)
Other Income	2,485	2,711
Operating Profit	**56,070**	**43,893**
Finance Income	6,309	5,660
Finance Cost	(1,126)	(736)
Net Profit before tax	**61,253**	**48,817**
Taxation	(15,335)	(12,278)
Net Profit after tax	**45,918**	**36,539**
Other Comprehensive Income	0	0
Total Comprehensive Income	**45,918**	**36,539**
Number of Shares outstanding	116,207,288	116,207,288
Earnings per Share	**0.40**	**0.31**

STATEMENT OF FINANCIAL POSITION AT SEPTEMBER 30, 2016

	2016 GH¢'000	2015 GH¢'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	131,753	60,014
	131,753	**60,014**
Current Assets		
Inventories	47,693	32,302
Trade and Other Receivables	7,065	5,550
Bank and Cash Balances	23,937	67,386
	78,695	**105,238**
TOTAL ASSETS	**210,449**	**165,252**
EQUITY		
Stated capital	10,000	10,000
Retained earnings	144,169	97,080
TOTAL SHAREHOLDERS' EQUITY	**154,169**	**107,080**
LIABILITIES		
Non-current liabilities		
Deferred Tax	6906	6,049
	6,906	**6,049**
Current liabilities		
Trade and Other Payables	42,941	42,951
Tax	2,915	6,310
Dividends	3,518	2,862
	49,374	**52,123**
TOTAL LIABILITIES	**56,280**	**58,172**
TOTAL EQUITY AND LIABILITIES	**210,449**	**165,252**

STATEMENT OF CHANGES IN EQUITY

Stated capital	**10,000**	**10,000**
Retained earnings - January 1	110,278	70,999
Total comprehensive income	45,918	36,539
Dividend for previous year	(12,027)	(10,458)
Retained earnings - September 30	**144,169**	**97,080**
Total equity	**154,169**	**107,080**

STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	2016 GH¢'000	2015 GH¢'000
Cash Flows from Operating Activities		
Cash generated from Operations	21,379	48,578
Interest Paid	(1,126)	(736)
Interest Received	6,309	5,660
Tax Paid	(12,637)	(5,968)
Net Cash Generated from Operating Activities	**13,925**	**47,534**
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(76,694)	(7,684)
Proceeds from sale of Property, Plant and Equipment	271	355
Net Cash used in Investing Activities	**(76,423)**	**(7,329)**
Cash Flows from Financing Activities		
Dividends Paid	(11,236)	(10,049)
Net Cash used in Financing Activities	**(11,236)**	**(10,049)**
(Decrease)/Increase in Cash and Cash Equivalents	(73,734)	30,156
Cash and Cash Equivalents at January 1	97,671	37,230
Cash and Cash Equivalents at September 30	**23,937**	**67,386**

NOTES TO THE FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these quarterly financial statements are consistent to that of the most recent Annual Report and Accounts.

2. The financial statement have been prepared in accordance with International Financial Reporting Standards (IFRS).

3. Distribution cost and administrative expenses include:

	2016 GH¢'000	2015 GH¢'000
Directors Remuneration	1,084	1,062
Auditors Remuneration	85	68
Donations	0	9

4. Other Income

Profit on Sale of Fixed Assets	464	261
Sale of Scraps	139	124
Rent Income	492	425
Bad debt recovered	29	47
Exchange gain	1,364	1,854

COMMENTS TO THE FINANCIAL STATEMENTS:

Revenue for Fan Milk Limited increased by 24.1% compared to the same period in the previous year. The increase was achieved predominantly due to strong volume growth in the year. Cost of sales increased as compared to same period last year by 25.8% , which in turn resulted in a Gross Profit of GHS 136.7 million, an increase of 22.5%. Operating Profit increased by 27.7%. Net Profit before Tax also increased by 25.7% compared to same period last year.

TO THE BEST OF OUR KNOWLEDGE THE FINANCIAL STATEMENTS DO NOT CONTAIN UNTRUE STATEMENTS, MISLEADING FACTS OR OMIT MATERIAL FACTS

Dr. Charles Mensa
Board Chairman

Edouard Spicher
Director