



PRESS RELEASE

PR. No 088/2012

ALUWORKS LIMITED (ALW) - UN-AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2011

ALW has released its un-audited Financial Statements for the year ended December 31, 2011 as per the attached.

Issued in Accra, this 3rd
day of April, 2012.

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att'd.

Distribution:

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

For enquiries, contact:

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

***JEB**

ALUWORKS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 GH¢'000	2010 GH¢'000
Revenue	21	49,716	25,167
Cost of sales		(45,926)	(26,564)
		-----	-----
Gross (loss)/profit		3,790	(1,397)
Other income	22	85	46
General and administrative expenses		(4,877)	(4,180)
		-----	-----
Results from operating activities before financing cost		(1,002)	(5,531)
Net finance expense	25	(2,348)	(2,268)
		-----	-----
Loss before income taxation	23	(3,350)	(7,799)
Income tax (expense)/relief	9	(127)	449
		-----	-----
Loss for the year		(3,477)	(7,350)
		=====	=====
Other comprehensive income			
Revaluation of property, plant and equipment		-	-
		-----	-----
Other comprehensive income for the year		-	-
		=====	=====
		-	
Total comprehensive (loss)/income for the year		(3,477)	(7,350)
		=====	=====

ALUWORKS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	2011 GH¢'000	2010 GH¢'000
Assets			
Property, plant and equipment	6	39,854	41,859
Intangible assets	7	-	19
Long term investments	8	144	168
		-----	-----
Total non-current assets		39,998	42,027
Inventories	11	7,085	6,599
Income tax asset	9	856	848
Trade and other receivables	12	5,630	5,270
Cash and cash equivalents	13	500	688
		-----	-----
Total current assets		14,071	13,405
		-----	-----
Total assets		54,069	55,432
		=====	=====
Equity			
Share capital	18	24,731	24,731
Share deals		90	90
Retained earnings – (Deficit)		(20,319)	(16,843)
Revaluation Surplus		19,358	19,383
		-----	-----
Total equity		23,860	27,361
		-----	-----
Non-current liabilities			
Medium-term loans	15	10,254	4,875
Deferred tax liabilities	10	2,283	2,156
		-----	-----
Total non-current liabilities		12,537	7,031
		-----	-----
Current liabilities			
Bank overdraft	14	5,762	6,895
Trade and other payables	20	5,082	2,982
Short-term loan	16	6,129	10,464
Dividend payable	17	699	699
		-----	-----
Total current liabilities		17,672	21,040
		-----	-----
Total liabilities		30,209	28,071
		-----	-----
Total liabilities and equity		54,069	55,432
		=====	=====

ALUWORKS LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	GH¢'000	GH¢'000
Cash flows from operating activities		
Loss before taxation	(3,350)	(7,799)
<i>Adjustments for:</i>		
Depreciation charges	3,011	2,937
Amortisation of intangible asset	-	19
Exchange loss	1,266	1,296
Interest expense	2,348	2,425
Loss on disposal of property, plant and equipment	1	52
	-----	-----
	3,276	(1,070)
Change in inventories	(486)	294
Change in trade and other receivables	(360)	(2,302)
Change in trade and other payables	2,100	(2,421)
	-----	-----
Cash (utilised for)/generated from operations	4,530	(5,499)
Interest paid	(2,348)	(2,425)
Income taxes paid	(8)	(13)
	-----	-----
Net cash (outflow)/ in flow from operating activities	2,174	(7,937)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,008)	(304)
Proceeds from sale of property, plant and equipment	-	8
	-----	-----
Net cash flow used in investing activities	(1,008)	(2,96)
Cash flows from financing activities		
Loan proceeds	15,436	3,178
Loan repaid	(15,657)	(18,220)
Net proceeds from issue of shares	-	19,729
	-----	-----
Net cash flow from financing activities	(221)	4,687
	-----	-----
Net (decrease)/increase in cash and cash equivalents	945	(3,546)
	====	====
Analysis of changes in cash and cash equivalents during the year		
Balance at 1 January	(6,207)	(2,661)
Net cash flow	945	(3,546)
	-----	-----
Balance at 31 December	(5,262)	(6,207)
	====	=====
Analysis of balances of cash and cash equivalents as shown in the balance sheet		
Cash and bank balances	500	688
Bank overdraft	(5,762)	(6,895)
	-----	-----
	(5,262)	(6,207)
	=====	=====

2nd April 2012.

Profitability into the Future.

We have noted the drop in the price of Aluworks Shares over the last few weeks.

We have surmised for quite a while that there has been a pent up supply of Aluworks Shares waiting for buyers and the share price goes down based on the difficulties of the past few years and not on current performance based on the difficulties of the past few years.

Indeed the outlook has been improving nevertheless the share price has been falling.

As we have reported in the past, Aluworks had been beset with significant external problems that threatened throughput which it has fought hard to resolve.

Our analysis follows three distinct phases of the business process i.e. Supply, Demand, and Conversion.

SUPPLY SIDE:

The combined effect of the energy crisis, the credit crunch followed by the recent recession which appears to be reducing, was the closure of VALCO and the need for Aluworks to import raw materials at very high additional costs. Unfortunately not were the raw materials expensive but supply was severely constrained as a result of a steep drop in raw material price which forced suppliers to restrict sales. The closure of VALCO was due to the steep drop in price which would have resulted in their making huge losses on high cost raw material they were holding and therefore they decided to shut down.

In 2010, the prices started to rise again to a level where it made sense for VALCO to resume. However resumption was only effected in 2011 by government after a long round of negotiations with VALCO to resume supply of power.

This phenomenon immediately accrued huge benefits to Aluworks Limited i.e. consistency of supply, consistent quality, and above all huge reductions in cost. Much of this windfall was however passed to customers in the form of price reductions.

The consequence is that with VALCO back in production the supply side problem has been largely eliminated. This is very good news which has not factored into the share price information stream. Since 2011 we have no problem whatsoever with supply as VALCO has fully supplied our needs.

