



UCHUMI SUPERMARKETS LTD

AUDITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

	30th June 2009 Kshs'000	30th June 2010 Kshs'000	30th June 2011 Kshs'000
Total Net Sales	8,232,843	9,608,926	10,840,728
Gross Profits	1,749,414	2,133,911	2,348,776
Operating Expenses	(1,419,008)	(1,597,161)	(1,830,313)
Profit from Operating Activities	330,406	536,750	518,463
Finance Costs	(160,484)	(103,558)	(3,630)
Profit Before Taxation	169,922	433,192	514,833
Taxation	250,708	431,907	(124,408)
Profit After Taxation	420,630	865,099	390,425
Profit Per Share	2.34	4.81	1.47

CONSOLIDATED BALANCE SHEET

ASSETS

NON CURRENT ASSETS	1,399,036	1,959,944	2,607,070
CURRENT ASSETS	1,089,612	1,193,567	1,397,650
TOTAL ASSETS	2,488,648	3,153,511	4,004,720
SHAREHOLDERS' EQUITY AND LIABILITIES:			
CAPITAL AND RESERVES			
Share Capital	900,000	900,000	1,327,133
Reserves	(1,080,495)	638,933	952,032
	(180,495)	1,538,933	2,279,165
NON CURRENT LIABILITIES			
Term Loans	820,089	320,140	183,368
CURRENT LIABILITIES	1,849,054	1,294,438	1,542,187
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,488,648	3,153,511	4,004,720

Commentary on 2010/11 Performance

The re-admission of Uchumi Supermarkets Ltd Shares to the Nairobi Stock Exchange was a major milestone for the company during the year just completed. The ceremony was presided over by The President of the Republic of Kenya, His Excellency Mwai Kibaki, who rang the bell symbolizing the re-admission on the floor of the NSE at the Nation centre on the 31st of May, 2011. The Company shares debuted at a high of KES 12 during the initial trading session.

Performance has continued to improve in the fifth year running. Sales revenue and gross profits grew by 12.8% (or Kshs. 1,232 million) and 10% (or Kshs.214 million) respectively compared to 2009/10. The growth compared to 2008/09 was 31.7% (or Kshs. 2,607 million) and 34% (or Kshs.599 million) for sales and gross profits respectively. Annual customer numbers increased by 10% to 19 million compared to the 2009/10 levels of 18 million, and 2008/09 level of 16 million the highest customers per square foot per annum recorded in the recent past. The positive growth results are attributed to focus and redefined business objectives together with operational efficiency, and the re-launched Uchumi brand in line with the Uchumi Rescue Plan.

During the year, costs grew in tandem with the growth in business as well as a result of runaway inflation caused by the increasing cost of global fuel prices which in itself is a significant factor on the prices of commodities. The management of cost has been an area of key focus by the Board and management with the ratio to net revenue improving in successive years at 19.2% and 16.6% in 2008/09 and 2009/10 respectively and remaining relatively flat in the year 2010/2011 at 16.8%. As a result of prudent cost management, profit before tax increased from a profit of Kshs.170 million in 2008/9, Kshs.433 million in 2009/10 and now at Kshs.615 million in 2010/11. Though the earnings per share has dropped from Kshs.4.81 in 2009/10, to Kshs.1.47 per share in 2010/11, it should be noted that the number of shares in circulation increased by 85 million shares from 180 Million to 205 Million during the year on account of the re-capitalization exercise undertaken during the restructuring of the balance sheet after lifting of receivership.

The balance sheet has grown in value by over 28.5% (or Kshs.900 million), from Kshs.3.15 Billion in 2009/2010 to over Kshs. 4 Billion in the year 2010/2011. Term loans principal of Kshs.126 million was settled during the year.

It is expected that the business shall continue to grow more robustly in the coming year and beyond as we position ourselves strategically in new locations within the greater East African region.

Above please find extracts of the audited financial statements and records of Uchumi Supermarkets Limited which were approved by the Board of Directors on Wednesday 7th September 2011.

By order of the Board.

Eng. ABDULRAZAQ ADAN ALI
CHAIRMAN

DR. JONATHAN CIANO, MBS
CHIEF EXECUTIVE OFFICER