



# Media Release

## PROPOSED PRICE INCREASE BY THE NATIONAL FLOUR MILLS LIMITED NOT SO EASY NFM!

**November 29, 2017:-** The Ministry of Trade and Industry reacts with disappointment to the pronouncements of the Chief Executive Office of the National Flour Mills Limited (NFM) in the November 29, 2017 Business Express on the possible increase in the prices of flour products by the Company.

The Minister stated that over the years the Government, largely through the Ministry of Trade and Industry, has been diligent at maintaining a facilitative working relationship with NFM as evident by the numerous dialogues and support provided on matters. As such, the public dissemination of the likelihood of an increase in flour prices without any prior discussion is wholly unacceptable.

The published unaudited financial statements of NFM for the nine months ended September 30, 2017 showed that the Company attained a net after profit of \$22.55Mn in comparison to \$26.26Mn for the same period in 2016. This represented a 23% decline in profitability and was due as it is understood mainly to a fall in revenue from animal feeds. In addition, the profitability of NFM was also notably affected by the expenses incurred in the upgrade on its plant and equipment towards increasing production and achieving an internationally recognized safe quality food certification. NFM, notwithstanding has still been able to meet its financial obligations and maintain a satisfactory cash flow position.

In this regard, the Minister has mandated that the Company place specific emphasis on penetrating foreign markets, new product development, reviewing hedging policies, improving cost structure by revising contractual arrangements and process efficiencies in all of its business segments.

The Government is mindful of NFM's responsibility to all its shareholders to be profitable. However, given the widespread implications that will undoubtedly arise, price adjustments will not be supported at this time.

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