



VITAFOAM NIGERIA PLC RC NO. 3094

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VITAFOAM NIGERIA PLC
Lagos Nigeria

Thursday January 11, 2018

VITAFOAM SECURES ₦2BILLION BANK OF INDUSTRY LOAN

Management of Vitafoam Nigeria Plc wishes to notify esteemed shareholders, market operators and the general public that it has secured the approval of the Bank of Industry (BOI) for a long term loan of ₦2billion to augment working capital.

The facility which has already been disbursed has a tenor of five years and attracts 12% interest with one year moratorium on principal. The loan is expected to have the following impact, amongst others:

- Significant savings on cost of funds in the current financial year from lower interest rate and flexible repayment terms;
- Increased margin and profitability from bulk procurement of major chemical raw materials directly from manufacturers at lower cost compared to procurement from third party suppliers.

Developments in the Subsidiaries

- **Vitaparts Nigeria Limited**, a new subsidiary established to manufacture oil filters is expected to commence operation in the 3rd quarter of the current financial year. Importation and installation of the manufacturing plant will be concluded in the 2nd quarter of the financial year, all things being equal. This new line of business is one of the strategic initiatives to diversify operation and revenue base of the group.
- **Vitablom Nigeria Limited**, the soft furnishing subsidiary has concluded installation of fibre processing plant. The new production line is also expected to boost the operation and revenue base of the group.

Thank you.

Yours faithfully,


Lekan Sanni
Company Secretary/Legal Adviser

