

# Lafarge Bamburi Cement Group posts KES 33.9 billion turnover, upbeat about 2014

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The Board of Directors of Bamburi Cement Group met on 6<sup>th</sup> March 2014 to approve the audited results for the year ended 31<sup>st</sup> December 2013. The Company reported a turnover of KES.33.9 billion and an operating profit of KES 5.2 billion compared to Ksh37.5 billion and Ksh6.8 billion respectively in the previous financial year.

## 2013 KEY FIGURES

§Turnover: KES. 33.9 billion

§Profit before tax: KES. 5.5 billion

§Cash & Cash equivalents: KES. 8.8 billion

§Earnings Per Share: KES. 9.55

§Tax: KES. 1.8 billion

Commenting on the Company's results the Managing Director Mr Hussein Mansi said "In the first half of 2013, we experienced a drop in the Company's performance mainly attributable to competitive pressure in Uganda and we also saw a significant reduction of exports out of Uganda to the inland Africa markets due to political tensions, which impacted our overall performance."

In Kenya, the Company retained a strong position, which rebounded in the second half of 2013 notwithstanding a contracted market in the first half of the year. There was also a notable slowdown in the infrastructure segment, where the Company is strongly positioned, due to delayed payments to contractors on major projects.

"We put in place several measures to mitigate against foreseen reduction in revenues through innovative cost saving actions, increased alternative fuel substitution across the three plants and reduced reliance on purchased clinker compared to 2012 in Kenya. We also continue to leverage on our strong brand equity, strengthened our route to market across all markets in Eastern Africa and have been able to grow more profitable channels," explained Mr Mansi.

Bamburi Cement Group expects 2014 to be a better year with easing political tensions in major Inland Africa markets out of Uganda, as well as an improved business environment in Kenya which the Company has already started witnessing.

The anticipated issuance of the Euro Bond by the Kenyan Government in 2014 is expected to spur infrastructure development, and the Group is well positioned to take advantage of such growth opportunities. The Group is also keen to identifying capacity increase opportunities in Kenya and Uganda in line with Lafarge's announcement of 10 million ton expansion in Sub Saharan Africa.

In Uganda, the Company expects improved plant efficiencies to result in lower power consumption, to mitigate against rising power tariffs. "We invested KES. 467 Million in a new Pet coke mill in Uganda and increased alternative fuel substitution in both Kenya and Uganda, which will realize a reduction in energy costs in 2014 as these measures gain momentum.

The company is also optimistic that a better power generation mix expected in Kenya in the 2<sup>nd</sup> half of 2014 may further ease power costs. On the environment front, the successful commissioning of a KES 275 Million new bag filter in Uganda, goes a long way to a sustained commitment to compliance to Global environmental standards," explained Eric Kironde the Company's Finance Director.

"We are poised to take full advantage as the construction trends continue to favor our Global commitment of Building Better Cities, by delivering superior customer service, industrial excellence, with a committed work force and in a safe and healthy work place. I am confident that we are particularly well positioned to succeed in achievement of our objectives to fulfill our vision of providing world class construction solutions" concluded Mr Mansi.

The Company paid an interim dividend of KShs. 2.00/= per ordinary share amounting to KES. 726 Million on 15th October 2013.

The Board of Directors recommends payment of a final dividend of KES. 9.00/= per ordinary share (KES. 8.50/= per ordinary share paid in 2012) subject to approval by shareholders at the Annual General Meeting. The final dividend, when added to the interim dividend already paid, brings the total dividend for the year to KShs. 3,993 Million (KES. 3,812 Million in 2012).

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### **Notes to editors**

A world leader in building materials, Lafarge employs 64,000 people in 62 countries, and posted sales of €15.2 billion in 2013. As a top-ranking player in its Cement, Aggregates and Concrete businesses, it contributes to the construction of cities around the world, through its innovative solutions providing them with more housing and making them more compact, more durable, more beautiful, and better

connected. With the world's leading building materials research facility, Lafarge places innovation at the heart of its priorities in order to contribute to more sustainable construction and to better serve architectural creativity.

Bamburi Cement Limited, a subsidiary of Lafarge, is the leading cement manufacturing and marketing Company in the Eastern Africa region. It has three subsidiaries Hima Cement Ltd (Uganda), Bamburi Special Products Ltd and Lafarge Ecosystems Ltd.

More information is available on Lafarge's website: [www.lafarge.com](http://www.lafarge.com) and [www.Lafarge.co.ke](http://www.Lafarge.co.ke)

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