

# Bamburi Cement Full Year Results

Nairobi, 27 March 2018..

*Bamburi Cement Group announces Full Year 2018 results, performance weighed down by market conditions and unfavourable costs environment.*

Bamburi Cement Ltd has today announced its full year results for the period ended 31 December 2017.

Commenting on the Company's results, the Board stated that the Group results showed mixed performance, in which Kenya experienced drought and a prolonged election period, leading to lower construction activity especially in the individual home builder segment. In contrast, Uganda had a broadly flat market in both the domestic and exports markets.

The Group's turnover decreased by KES 2 billion to KES 36 billion and with operating profit declining to KES 4.8 billion (4.2%) from KES 8.0 billion in 2016, primarily driven by the overall decline in top-line revenues and higher energy costs. However, Uganda showed good growth in both domestic and export markets.

Profit before tax declined to KES 4.1 billion from the prior year of KES 8.3 billion, and the Group's cash position reflected a decrease to KES 2 billion from the prior year of KES 6.9 billion primarily due to dividend payments and the capacity expansions in both Kenya and Uganda.

The Group was pleased to note that Phase 1 of the capacity expansion projects in both Kenya and Uganda are on track and commissioning of both projects is scheduled for the second half of 2018. Studies on Phase 2 of the expansion are at an advance stage. These actions will solidify the Group's position as the least cost producer in the region and will see the Group's cement capacity increase by 1.8 million tons.

The Chairman, Dr. John Simba said in a statement 'While the 2017 results reflect a mixed performance in a challenging market environment, we remain positive that the market conditions in both countries will continually improve and rebound in line with the projected growth in both domestic and regional markets. The expected commissioning of the new capacity in the second half of 2018, will see the business enhance its market leadership position and underscores our belief in the growth of East African economies, underpinned by a robust construction industry. Our focus will continue to be providing innovative value adding construction

propositions to our customers, prudent cost management, and agility to anticipate and respond to external factors in the region.