The Directors of Bamburi Cement Limited are pleased to announce the audited group results for the year ended 31 December 2009

Condensed statement of comprehensive income for the year ended 31 December 2009	**2009**	**2008**
	KES. Million	**KES. Million**
Turnover	**29,994**	**27,467**
Operating profit	**7,731**	**5,962**
Investment income	103	42
Other gains and losses	1,558	(39)
Finance costs	(14)	(74)
Insurance claim	218	(1,001)
Profit before tax	**9,596**	**4,890**
Tax	(2,626)	(1,477)
Profit for the year	**6,970**	**3,413**
Other comprehensive income:		
Exchange differences on translation of foreign operations	67	158
Net gain/(loss) on revaluation of available for sale investments	60	(700)
Reclassified gain from equity on disposal of available for sale investments	(1,197)	-
Other comprehensive income for the year, net of tax	**(1,070)**	**(542)**
Total comprehensive income for the year	**5,900**	**2,871**
Profit attributable to:		
Equity holders of the parent	6,649	3,188
Non-controlling interests	321	225
	6,970	**3,413**
Total comprehensive income attributable to:		
Equity holders of the parent	5,562	2,611
Non-controlling interests	338	260
	5,900	**2,871**
Earnings Per Share (basic & diluted) – KShs. per share	**18.32**	**8.78**

Condensed statement of financial position at 31 December 2009	2009	2008
	KES. Million	KES. Million
Assets		
Non-current assets		
Property, plant & equipment	18,216	15,775
Other equity investments	906	2,186
Goodwill	217	217
	19,339	**18,178**
Working capital		
Current assets	6,347	8,218
Current liabilities	(4,946)	(5,383)
	1,401	**2,835**
Cash and bank balances	**6,427**	**1,758**
	27,167	**22,771**
Capital and reserves		
Share capital	1,815	1,815
Reserves	17,681	13,680
Equity attributable to owners of the Company	**19,496**	**15,495**
Non-controlling interests	1,444	1,106
Non-current liabilities	6,227	6,170
	27,167	**22,771**

Condensed Statement of cash flows for the year ended 31 December 2009	2009	2008
	KES. Million	KES. Million
Cash generated from operations	**10,667**	**5,887**
Interest received	85	10
Interest paid	(14)	(74)
Tax paid	(1,732)	(1,677)
Net cash generated from operating activities	**9,006**	**4,146**
Net cash used in investing activities	(1,912)	(5,840)
Net cash (used in)/generated from financing activities	(2,427)	3,169
Net increase in cash & cash equivalents	**4,667**	**1,475**
Exchange rate changes on cash held in foreign currencies	2	24
At beginning of the year	1,758	259
At end of the year	**6,427**	**1,758**

Condensed statement of changes in equity for the year ended 31 December 2009	2009	2008
	KES. Million	KES. Million
Share Capital	1,815	1,815
Revaluation reserve	2,248	2,445
Fair value and translation reserves	759	1,859
Retained Earnings	14,674	9,376
Attributable to equity holders of the parent	**19,496**	**15,495**
Non-controlling interests	**1,444**	**1,106**
At end of the year	**20,940**	**16,601**

Explanatory note: These financial statements have been prepared in accordance with prior year accounting policies with adoption of new and revised IFRS.

Highlights

This was a challenging year for the Group as a result of the prolonged drought, effects of global economic downturn, new competition and cement overcapacity in most far-east markets.

Despite this, the Group returned strong financial results mainly due to cost containment measures together with a major one-off divestment gain of KES. 1.2 Billion from the sale of Athi River Mining Limited (ARM) shares through the Nairobi Stock Exchange.

Group turnover rose by 9% to a record of KES. 30 Billion mainly due to improved export sales to inland Africa markets and a weakening shilling to the dollar together with enhanced clinker and cement productivity. Clinker production rose by 20% to a record 1.14 million tons further reducing imported clinker reliance in cement production. Since 2008, the Group has maintained its selling prices in Kenya despite enormous increase in electricity costs and high inflationary pressures.

The operating profit grew by 30% as a result of an improved distribution system and the cost containment initiatives rolled out despite significant pressure from escalating electricity and solid fuels prices together with the impact of cost push inflation on raw materials and spare parts.

The growth in pre-tax profit was boosted by one-off divestment gains from the sale of ARM shares and a final settlement of KES. 218 Million from insurers in respect of the Mombasa Plant fire incident of 2007. In 2008, the Group had provided for KES. 1 Billion in its financial results against the insurance claim.

Financing costs fell below prior year due to full settlement of short-term borrowings and higher cash generated during the year.

Balance Sheet

The increase in fixed assets was due to capital expenditure projects, mainly the on going capacity increase project at Kasese Plant, Uganda and the Pozzolana Drier at Nairobi Grinding Plant, Athi River. The capacity increase project was progressing well and was expected to be fully operational in the second half of this year.

The reduction in net working capital was as a result of successful initiatives to accelerate cash generation undertaken during the year. Non-current liabilities related to borrowings in Uganda to finance the capacity increase project.

Cash flow
Overall cash position at end of the year rose mainly due to better operating performance, divestment proceeds from sale of ARM shares, receipt of fire insurance claim payment and robust working capital management.

Outlook for 2010 & Beyond
The Group remains optimistic that the inherent strength of its business complimented by a well equipped human talent pool will enhance its resilience to ensure delivery of shareholder value in spite of the potential and existing business challenges. The Group will strive to optimise productivity, sustain its cash generation initiatives, grow its market share, increase its product offering while continuing with the cost reduction initiatives.

The Group will continue working with East African Community (EAC) member states to create conducive operating conditions by addressing business challenges brought by uncertainty of power supply, higher power tariffs and poor infrastructure.

Dividend for 2009
An interim dividend of KES. 1.50 /= per ordinary share amounting to KES. 545 Million was paid on 23 October 2009.

The Board recommends payment of a special interim dividend of KES. 4.00/= per ordinary share arising from the divestment gain from ARM shares.

The Board of Directors also recommends payment of a final dividend of KES. 5.50/= per ordinary share (2008: KES. 2.80 per share) subject to approval by the Shareholders at the Annual General Meeting.

This will bring the total dividends for the year to KES. 3,993 Million.

Closure of Share Register
The special dividend will be paid on 23 April 2010 to members on the register at close of business on 26 March 2010. Accordingly, the register of members will close at 4.30pm on 29th March 2010 and will remain closed up to 29 March 2010.

Subject to approval by the Shareholders at the Annual General Meeting, the final dividend for 2009 will be paid on or about 16 July 2010 to members on the register at close of business on 26 March 2010. Accordingly, the register of members will close at 4.30pm on 29th March 2010 and will remain closed up to 29 March 2010.

By Order of the Board,

B Kanyagia,
Company Secretary
25 February 2010