BAMBURI CEMENT LIMITED

The Directors of Bamburi Cement Limited are pleased to announce the audited Group results for year ended 31 December 2010

Condensed statement of comprehensive income for the year ended 31 December 2010

	2010 KShs. Million	2009 KShs. Million
Turnover	**28,075**	**29,994**
Operating profit	**7,282**	**7,732**
Investment income	143	103
Other gains & losses	230	354
Finance costs	(91)	(14)
Profit before tax and exceptional items	**7,564**	**8,175**
Exceptional items	-	**1,421**
Profit before tax	**7,564**	**9,596**
Tax	(2,265)	(2,626)
Profit for the year	**5,299**	**6,970**
Other comprehensive income:		
Exchange differences on translation of foreign operations	(654)	67
Net gain on revaluation of available for sale financial assets	5	60
Cumulative gain reclassified from equity on disposal of available for sale financial assets	-	(1,197)
Gain on hedging instruments entered into for cash flow hedges	28	-
Other comprehensive income for the year net of tax	**(621)**	**(1,070)**
Total comprehensive income for the year	**4,678**	**5,900**
Profit attributable to:		
Owners of the group	5,089	6,649
Non-controlling interests	210	321
	5,299	**6,970**
Total comprehensive income attributable to:		
Owners of the group	4,662	5,562
Non-controlling interests	16	338
	4,678	**5,900**
Earnings Per Share (basic & diluted) KShs. per share	**14.02**	**18.32**

Condensed statement of financial position As at 31 December 2010

	2010 KShs. Million	2009 KShs. Million
Assets		
Non-current assets		
Property, plant & equipment	19,052	18,106
Prepaid operating lease rentals	187	9
Intangible assets	76	101
Other equity investments	911	906
Goodwill	217	217
	20,443	**19,339**
Working capital		
Current assets	5,246	6,346
Current liabilities	(7,463)	(4,945)
	(2,217)	**1,401**
Cash and bank balances	7,616	6,427
	25,842	**27,167**
Capital and reserves		
Share capital	1,815	1,815
Reserves	18,350	17,681
Equity attributable to owners of the company	**20,165**	**19,496**
Non-controlling interests	1,461	1,444
Non-current liabilities	4,216	6,227
	25,842	**27,167**

Condensed Statement of cash flows for the year ended 31 December 2010

	2010 KShs. Million	2009 KShs. Million
Cash generated from operations	**10,949**	**10,623**
Interest received	128	85
Interest paid	(91)	(14)
Tax paid	(2,251)	(1,732)
Net cash generated from operating activities	**8,735**	**8,962**
Net cash used in investing activities	(3,409)	(1,912)
Net cash used in financing activities	(4,155)	(2,426)
Net increase in cash & cash equivalents	**1,171**	**4,624**
Exchange rate changes on cash held in foreign currencies	18	45
At beginning of the year	6,427	1,758
At end of the period	**7,616**	**6,427**

Condensed statement of changes in equity for the year ended 31 December 2010

	2010 KShs. Million	2009 KShs. Million
Share Capital	1,815	1,815
Revaluation reserve	2,063	2,248
Fair value and translation reserves	331	759
Cash flow hedging reserve	25	-
Retained Earnings	15,931	14,674
Equity attributable to owners of the company	**20,165**	**19,496**
Non-controlling interests	**1,461**	**1,444**
At end of the period	**21,626**	**20,940**

These results are extracted from the consolidated financial statements of Bamburi Cement Limited for the year ended 31 December 2010. The financial statements were audited by Deloitte & Touche, and have received an unqualified opinion.

Highlights

The Group demonstrated strong resilience in the face of new capacities by competition across all markets, by increasing its turnover in the second half of the year by 9% compared to a similar period last year.

Operating profit for the year decreased by 5.8% to KShs. 7.3 billion driven by lower turnover and higher power prices in the first quarter of the year. However, there was strong recovery in the second half of the year on the back of improved efficiencies from the new production line in Uganda and major steps on cost reduction efforts, resulting in a 14% growth in operating profit compared to prior year. The fixed operating expenses dropped by 8%, notwithstanding inflationary pressures. The improvements in the distribution system implemented in March 2009, resulted in lower distribution costs compared to prior year.

Profit before tax and exceptional items dropped by 7.4%. The exceptional items in 2009 were the major one-off divestment gain from Athi River Mining of KShs. 1.2 billion and receipt of KShs. 218 million from the insurers in respect of the Mombasa Plant fire incident of 2007.

The Group's working capital improvement initiatives taken during the year went along in boosting its cash position. The Group refinanced its US dollar denominated loan from the ultimate holding company by a local currency loan to mitigate hard currency exposure in Uganda.

Outlook for 2011

The Board of directors takes cognisance of increased competitive environment and continues to implement appropriate strategies to enhance the Group's growth and profitability. The new production line at Kasese Plant, Uganda will go a long way in enhancing the Group's efficiency levels and improve operating results. The Group will focus on maintaining a superior offer to the market through, inter alia, innovation and first-rate customer service. Further, the Group will increase its efficiency by stringent cost management and rationalization of capital expenditure while remaining cognisant of its safety and health obligations and environmental stewardship responsibilities.

To steer through the anticipated challenges, the Group will leverage on the ongoing commercial initiatives to drive sales and grow its market share, improve industrial productivity to meet customer expectations and sustain the cash generation initiatives.

Dividend for 2010

The Directors recommend payment of a final dividend of KShs. 7.00 per ordinary share (2009: KShs 5.50 per ordinary share) subject to approval by shareholders at the Annual General Meeting. The final dividend, when added to the interim dividend already paid, gives a total dividend of KShs. 8.50 per ordinary share. This will bring the total dividends for the year to KShs. 3,085 Million.

Closure of Share Register

Subject to approval by the Shareholders at the Annual General Meeting, the final dividend for 2010 will be paid on or about 15 June 2011 to members on the register at close of business on 28 March 2011. Accordingly, the register of members will close at 4.30pm on 28 March 2011 and will remain closed up to 29 March 2011.

By Order of the Board,

Hussein Mansi
MANAGING DIRECTOR
25 February 2011

LAFARGE

I CARE FOR OUR HEALTH & SAFETY
LAFARGE H&S EXCELLENCE CLUB

A proud member of the Health & Safety Excellence Club

Bamburi cement