BAMBURI CEMENT LIMITED

The Directors of Bamburi Cement Limited are pleased to announce the unaudited group results for the six months period to 30 June 2010.

Condensed statement of comprehensive income for the six months ended 30 June 2010

	2010, June KShs. Million	2009, June KShs. Million
Turnover	**13,045**	**16,199**
Operating profit	**3,254**	**4,207**
Investment income	100	32
Other gains and losses	160	41
Finance costs	(10)	(24)
Insurance claim	-	218
Profit before tax	**3,504**	**4,474**
Tax	(1,062)	(1,344)
Profit after tax	**2,442**	**3,130**
Other comprehensive income:		
Exchange differences on translation of foreign operations	(500)	(218)
Net gain/(loss) on revaluation of available for sale investments	391	(52)
Cash flow hedges	34	33
Other comprehensive income net of tax	**(75)**	**(237)**
Total comprehensive income	**2,367**	**2,893**
Profit attributable to:		
Equity holders of the parent	2,366	2,975
Non-controlling interests	76	155
	2,442	**3,130**
Total comprehensive income attributable to:		
Equity holders of the parent	2,438	2,804
Non-controlling interests	(71)	89
	2,367	**2,893**
Earnings Per Share (basic & diluted) – KShs.per share	**6.52**	**8.19**

Condensed statement of financial position as at 30 June 2010

	2010, June KShs. Million	2009, Dec KShs. Million
Assets		
Non-current assets		
Property, plant & equipment	18,444	18,216
Other equity investments	1,296	906
Goodwill	217	217
	19,957	**19,339**
Working capital		
Current assets	5,407	6,347
Current liabilities	(6,408)	(4,946)
	(1,001)	**1,401**
Cash and bank balances	**7,598**	**6,427**
	26,554	**27,167**
Capital and reserves		
Share capital	1,815	1,815
Reserves	16,635	17,681
Equity attributable to owners of the Company	**18,450**	**19,496**
Non-controlling interests	1,373	1,444
Non-current liabilities	6,731	6,227
	26,554	**27,167**

Condensed Statement of cash flows for the six months ended 30 June 2010

	2010, June KShs. Million	2009, June KShs. Million
Cash generated from operations	**5,407**	**6,462**
Interest received	85	32
Interest paid	(10)	(24)
Tax paid	(1,314)	(812)
Net cash generated from operating activities	**4,168**	**5,658**
Net cash used in investing activities	(1,652)	(2,137)
Net cash used in financing activities	(1,345)	((1,099)
Net increase in cash & cash equivalents	**1,171**	**2,422**
At beginning of the year	6,427	1,758
At end of the period	**7,598**	**4,180**

Condensed statement of changes in equity for the six months ended 30 June 2010

	2010, June KShs. Million	2009, June KShs. Million
Share Capital	1,815	1,815
Revaluation reserve	2,143	2,363
Fair value and translation reserves	666	1,638
Retained Earnings	13,826	11,433
Attributable to equity holders of the parent	**18,450**	**17,249**
Non-controlling interests	**1,373**	**1,195**
At end of the period	**19,823**	**18,444**

Explanatory notes

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 31 December 2009.

HIGHLIGHTS

Compared to the same period last year, the Group's turnover reduced to KShs. 13 billion as a result of the slower cement market growth in Kenya and Uganda, lower selling prices across all markets and the base effect of unusually higher market share recorded during the first half of 2009 due to unique market circumstances in Kenya, which was specific to last year.

Operating profit decreased to KShs. 3.3 billion due to lower turnover and increase in power prices particularly during the first quarter of the year. This was partly cushioned by the reduction of the fixed operating expenses by 6% following cost containment efforts, notwithstanding Kenya and Uganda annual inflation rates at 3.2% and 4.4% respectively and reduction in distribution costs as a result of the improvements in the distribution system.

The non-current obligations increased by KShs. 1.25 billion to finance the capacity expansion project. During the period, the Group accelerated repayment of unsecured US dollar denominated loan from Lafarge by US$ 14 Million to mitigate hard currency exposure.

With stronger market growth realised from the mid of the second quarter in Kenya and higher sales volumes in Uganda as a result of commissioning of the new cement production line in July, the Group is optimistic it will achieve stronger top line growth and results during the second half of the year compared to prior year and the first half of this year.

INTERIM DIVIDEND

The Directors resolved to declare an interim dividend for the half year of KShs. 1.50 (30%) per ordinary share totalling KShs. 545 Million. The interim dividend is the same as that paid for the same period last year.

The dividend will be paid on or about 30 October 2010 to members on the register at the close of business on 3 September 2010.

CLOSURE OF SHARE REGISTER

The register of members will close at 4.30pm on 3 September and will remain closed until 6 September 2010.

OUTLOOK FOR THE SECOND HALF OF 2010

The prospects for the industry for the second half of the year look promising with the regional economies expected to achieve stronger growth in 2010 compared to prior year.

The Group will continue its cost reduction and cash generation initiatives, improve industrial productivity to meet customer expectations while leveraging on its ongoing commercial initiatives to drive sales volumes and grow its market share.

The Group will also continue working with East African Community member states to create conducive operating conditions by addressing business challenges.

By Order of the Board,

B Kanyagia,
Company Secretary
5 August 2010

LAFARGE Part of you. From the start.

Bamburi cement