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 2011.

Condensed statement of comprehensive income for the six months ended 30 June 2011

	June 2011 KShs. Million	June 2010 KShs. Million
Turnover	**16,421**	**13,045**
Operating profit	**3,920**	**3,254**
Investment income	95	100
Other gains and losses	456	160
Finance costs	(211)	(10)
Profit before tax	**4,260**	**3,504**
Taxation	(1,290)	(1,062)
Profit for the period	**2,970**	**2,442**
Earnings Per Share (basic & diluted) – KShs.per share	**7.65**	**6.52**

Condensed statement of financial position as at 30 June 2011

	June 2011 KShs. Million	Dec 2010 KShs. Million
Non-current assets		
Property, plant & equipment	18,973	19,315
Other equity investments	911	911
Goodwill	217	217
	20,101	**20,443**
Working capital		
Current assets	6,015	5,247
Current liabilities	(7,432)	(7,464)
	(1,417)	**(2,217)**
Cash and bank balances	**7,801**	**7,616**
	26,485	**25,842**
Capital and reserves		
Share capital	1,815	1,815
Reserves	18,543	18,350
Equity attributable to owners of the company	**20,358**	**20,165**
Non-controlling interests	1,617	1,461
Non-current liabilities	4,510	4,216
	26,485	**25,842**

Condensed Statement of cash flows for the six months ended 30 June 2011

	June 2011 KShs. Million	June 2010 KShs. Million
Cash generated from operations	**4,373**	**5,407**
Interest received	104	85
Interest Paid	(184)	(10)
Tax paid	(1,174)	(1,314)
Net Cash generated from Operating activities	**3,119**	**4,168**
Net cash used in investing activities	(264)	(1,652)
Net cash used in financing activities	(2,670)	(1,345)
Net increase in cash & cash equivalents	**185**	**1,171**
At beginning of the year	7,616	6,427
At end of the period	**7,801**	**7,598**

Condensed statement of changes in equity for the six months ended 30 June 2011

	June 2011 KShs. Million	June 2010 KShs. Million
Share Capital	1,815	1,815
Revaluation reserve	2,188	2,143
Fair value and translation reserves	559	666
Retained Earnings	15,796	13,826
Attributable to equity holders of the company	**20,358**	**18,450**
Non-controlling interests	**1,617**	**1,373**
At end of the period	**21,975**	**19,823**

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 2010.

HIGHLIGHTS

This was a challenging first half characterized by high global fuel prices, depreciation of local currencies and increased competition. In spite of this, the Group posted strong financial results due to significant contribution from its new production facility in Uganda which was commissioned last year as well as cost reduction measures across the Group.

The Group's turnover increased by 26% to KShs. 16.4 billion due to strong growth in domestic sales in Uganda and improved exports to inland African markets bolstered by strong devaluation of local currencies against the US dollar. This growth in turnover was achieved despite greater competition brought about by additional cement grinding capacities by other players particularly in Kenya.

Despite the difficult operating environment compounded by high fuel, transport and power costs, operating profit grew by 20% due to proactive cost containment measures initiated across the Group. The fixed operating expenses reduced by 9%, notwithstanding the high inflationary environment.

Pre-tax profit rose 22% to stand at KShs. 4.3 billion due to exchange gains on deposits partially eroded by higher loan financing costs.

The Group continues to focus on working capital management to optimize its cash position.

OUTLOOK FOR THE SECOND HALF OF 2011

The growth of the regional economies is anticipated to slow down due to rising global fuel prices, inflation and drought. However, the regional cement market is expected to remain vibrant. The Group remains aware of the changing competitive landscape in the markets in which it operates and will implement strong measures to protect and grow its market share and regional presence.

The Group will continue to capitalize on its cost control measures to cushion the top line while ensuring growth and sustainability in the face of increased pressure from surging energy costs and transport rates.

INTERIM DIVIDEND

The Board of Directors resolved to declare an interim dividend of 40% per ordinary share (KShs. 2.00/= per ordinary share) totalling KShs. 726 million compared to 30% per ordinary share (KShs. 1.50/= per ordinary share) paid in 2010.

The interim dividend will be paid on or about 20 October 2011 to members on the register at the close of business on 23 September 2011.

CLOSURE OF SHARE REGISTER

The register of members will close at 4.30pm on 23 September 2011 and will remain closed up to 26 September 2011.

By Order of the Board,

Hussein Mansi,
Managing Director
24 August 2011