LAFARGE

BAMBURI CEMENT LIMITED

The Directors of Bamburi Cement Limited are pleased to announce the unaudited Group results for the six months period ended 30 June 2013

Condensed Statement of Comprehensive Income

	June, 2013 Kshs Million	June, 2012 Kshs Million
Turnover	**15,841**	**19,201**
Operating profit	**3,051**	**3,550**
Investment income	267	432
Other gains and losses	26	(117)
Finance costs	(74)	(153)
Profit before tax	**3,270**	**3,712**
Taxation	(965)	(1,144)
Profit for the Period	**2,305**	**2,568**
EPS - Kshs per Share *	6.00	6.38

** EPS calculated on profit after tax attributable to shareholders of the parent and based on average number of shares*

Condensed Statement of Financial Position

	June, 2013 Kshs Million	December, 2012 Kshs Million
Assets		
Non-current assets		
Property, plant & equipment	25,647	25,907
Other equity investments	634	452
Goodwill	217	217
	26,498	**26,576**
Working capital		
Current assets	8,267	7,693
Current liabilities	(7,166)	(7,011)
	1,101	**682**
Cash and bank balances	7,522	8,769
	35,121	**36,027**
Capital and reserves		
Share capital	1,815	1,815
Reserves	26,065	26,571
	27,880	**28,386**
Equity attributable to owners of the Company		
Non-controlling interests	2,394	2,475
Non-current liabilities	4,847	5,166
	35,121	**36,027**

Condensed Statement of Cash Flows

	June, 2013 Kshs Million	June, 2012 Kshs Million
Cash generated from operations	**3,367**	**5,138**
Interest received	267	426
Interest paid	(74)	(148)
Net foreign exchange gains	29	(150)
Tax paid	(1,055)	(642)
Net cash generated from operating activities	**2,534**	**4,624**
Net cash used in investing activities	(336)	(550)
Net cash used in financing activities	(3,445)	(3,545)
Net increase in cash & cash equivalents	**(1,247)**	**529**
At beginning of the year	8,769	7,136
At end of the period	**7,522**	**7,665**

Condensed Statement of Changes in Equity

	June, 2013 Kshs Million	December, 2012 Kshs Million
Share Capital	1,815	1,815
Revaluation reserve	8,221	8,307
Fair value and translation reserves	607	(611)
Retained Earnings	17,237	18,875
Attributable to equity holders of the parent	27,880	28,386
Non-controlling interests	2,394	2,475
At end of the period	30,274	30,861

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 2012.*

HIGHLIGHTS

Group turnover for the first half declined by 18% to KShs. 15.8 billion compared to prior year, leading to a decline of Group's Operating Profit by 14% to KShs. 3.05 billion.

The decline in turnover is as a result of a general market slow down in the first quarter and low inland Africa exports. The Kenyan market experienced a slowdown due to uncertainty during the elections period and delayed start of infrastructure projects; while the Group's attractive central Africa export markets were adversely affected by various political and economic reasons.

On a positive note, the Group recorded an improvement in operating margin over the same period 2012, mainly on account of a reduction in use of imported clinker with improved clinker output in Mombasa following the completion of the bag filter project late last year. In addition, the plant in Uganda had better energy efficiencies compared to prior year.

Pre-tax profits reduced to KShs. 3.27 billion due to reduced investment income on deposits following the reduction in interest rates partly offset by a reduction in Uganda loan financing costs.

OUTLOOK FOR THE SECOND HALF OF 2013

From late second quarter, we started seeing a significant turnaround in the markets of Kenya and Uganda. With continued signs of an improving macro-economic environment in both countries, characterised by single digit inflation, lower commercial bank lending and stable exchange rates, the Group expects the regional economies to achieve strong growth, which will be a catalyst for the growth of the construction industry in the second half of the year and beyond.

The Group is therefore strongly optimistic of a stronger second half. We are well positioned to take advantage of this growth through the Group initiatives geared towards volume growth and robust marketing of its entire cement and concrete portfolio of brands across the region.

The Group will continue to capitalise on gains made through its cost reduction and cash generation initiatives and improving industrial productivity. On this note, we have just completed at the Hima plant in Uganda, the successful installation of the bag filter to replace the Electrostatic Precipitator (ESP). This will also go a long way in ensuring sustained compliance with global environmental standards.

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. The interim dividend is the same level as prior year.

The interim dividend will be paid on or about 11 October 2013 to members on the register at the close of business on 6 September 2013.

CLOSURE OF SHARE REGISTER

The register of members will close at 4.30 pm on 6 September 2013 and will remain closed until 9 September 2013.

By Order of the Board,

Hussein Mansi
Managing Director
7 August 2013