The Directors of Bamburi Cement Limited are pleased to announce the unaudited Group results for the six month period ending 30 June 2014

Condensed Statement of Profit or Loss and Other Comprehensive Income	2014 June	2013 June
	KShs. Million	KShs. Million
Turnover	**17,290**	**15,841**
Operating profit	**2,209**	**3,051**
Investment income	206	267
Other gains and losses	(15)	26
Finance costs	(75)	(74)
Profit before tax	**2,325**	**3,270**
Tax	(667)	(965)
Profit for the Period	**1,658**	**2,305**
Earnings per share (EPS) – KShs. per Share*	4.38	6.00

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

Condensed Statement of Financial Position	2014 June	2013 December
Assets	**KShs. Million**	**KShs. Million**
Non-current assets		
Property, plant and equipment and intangible assets	25,419	25,975
Other equity investments	870	787
Goodwill	217	217
	26,506	**26,979**
Working capital		
Current assets	8,382	7,161
Current liabilities	(7,501)	(6,438)
	881	**723**
Cash and bank balances	**10,381**	**8,876**
Total assets	**37,768**	**36,578**
Equity		
Share capital	1,815	1,815
Reserves	28,836	27,114
	30,651	**28,929**
Attributable to equity holders of the parent		
Non-controlling interests	2,555	2,580
Non-current liabilities	4,562	5,069
Total equity and non-current liabilities	**37,768**	**36,578**

Condensed Statement of Cash Flows	**2014 June**	**2013 June**
	KShs. Million	**KShs. Million**
Cash generated from operations	**2,930**	**3,368**
Interest received	206	267
Interest paid	(74)	(74)
Net foreign exchange loss/(gain)	(47)	29
Tax paid	(795)	(1,055
Net cash generated from operating activities	**2,220**	**2,535**
Net cash used in investing activities	(185)	(336)
Net cash used in financing activities	(530)	(3,4445
Net increase in cash and cash equivalents	**1,505**	**(1,246)**
At beginning of the year	8,876	8,769
At end of the year	**10,381**	**7,523**

Condensed Statement of Changes in Equity	**2014 June**	**2013 December**
	KShs. Million	**KShs. Million**
Share capital	1,815	1,815
Revaluation reserve	7,777	7,962
Fair value and translation reserves	99	278
Retained earnings	20,958	18,875
Attributable to equity holders of the parent	**30,649**	**28,930**
Non-controlling interests	**2,555**	**2,580**
At end of the year	**33,204**	**31,510**

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 2013.*

HIGHLIGHTS

Group turnover for the period under review grew by 9% to KShs. 17.3 billion as a result of stronger first half sales in both the domestic markets and inland Africa exports markets.

However, margins in Uganda, though better than in the last quarter of 2013, remained lower than in the first half of 2013. This, together with higher costs driven by a 25% increase in power prices in Kenya, use of more imported clinker in both countries and the introduction of a mining levy in Kenya, led to a 29% and 29% reduction of operating profit and pre-tax profit to KShs. 2.1 billion and KShs. 2.3 billion respectively.

The reduction in margins was partly mitigated by costs savings from the petcoke project in Uganda which was commissioned in January and increase in alternative fuels substitution in Kenya.

OUTLOOK FOR THE SECOND HALF OF 2014

The Group expects stable economic environment in Kenya and Uganda with steady interest rates. In Kenya, inflation may increase following lower rains that would result in poor harvest and higher food prices.

The Group expects a stronger second half with steady increase in sales in both countries, ease of margin pressure in Uganda together with demand growth in domestic and export markets in both countries. In Kenya, issuance of the Eurobond is expected to provide funds for infrastructure projects which will increase the demand for cement. In addition, commencement of the standard gauge railway project will increase demand for cement and cement products. In Uganda, development of key infrastructure projects such as Karuma dam and the Entebbe – Kampala expressway will also increase demand.

The Group has the capacity to meet any increase in demand, as well as the capacity, to develop solutions for the customer's needs. With our innovative capacity for new products and services, we are confident that we can meet and exceed the market and our customers' expectations. The Group will continue improving operational mastery as a lever to deliver cost reductions initiatives and to mitigate against expected rising costs as well as continue its sound working capital management measures to generate cash.

Risks remain in accessing the Southern Sudan market out of Uganda due to conflict and additional power price increase announced in Kenya effective 1 July 2014, which could raise power prices in second half by 14% and 29% compared to the first half and compared to prior year. Increase in power costs will have significant impact as power costs currently account for approximately 25% of the Group's total costs.

INTERIM DIVIDEND

The Board of Directors resolved to declare an interim dividend of 120% per ordinary share (KShs. 6.00/= per ordinary share) totalling KShs. 2.178 billion in celebration of 60 years of operation in Kenya.

The interim dividend will be paid on or about 10 October 2014 to members on the register at the close of business on 5 September 2014.

CLOSURE OF SHARE REGISTER

The register of members will close at 4:30 pm on 5 September 2014 and will remain closed until 8 September 2014.

CHANGE IN DIRECTORSHIP

The Board accepted the resignation of Mutua Kilaka with regret and wished Mr Kilaka well for the future.

By Order of the Board,

Bruno Pescheux
Managing Director
7 August 2014