

BAMBURI CEMENT LIMITED

The Directors of Bamburi Cement Limited are pleased to announce the unaudited Group results for the six months ending 30 June 2016

Condensed statement of comprehensive income	2016 June KES Million	2015 June KES Million
Turnover	19,111	19,321
Operating costs	(14,962)	(15,289)
Operating profit	4,149	4,032
Investment income	218	154
Other gains and losses	(95)	397
Restructuring costs	-	(81)
Profit before tax	4,272	4,502
Taxation	(1,373)	(1,419)
Profit for the Period	2,899	3,083
Earnings Per Share – KES per Share*	7.15	7.77

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

Condensed Statement of Financial Position	2016 June KES Million	2015 December KES Million
Assets		
Non-current assets		
Property, plant & equipment and intangibles	22,088	23,145
Other equity investments	425	535
Goodwill	217	217
	22,730	23,897
Working capital		
Current assets	10,465	9,549
Current liabilities	(6,937)	(7,465)
	3,528	2,084
Dividend Payable	(2,547)	(97)
Cash and bank balances	10,456	8,453
	34,167	34,337
Capital and reserves		
Share capital	1,815	1,815
Reserves	24,782	25,074
Equity attributable to owners of the Company	26,597	26,889
Non-controlling interests	3,055	2,817
Non-current liabilities	4,515	4,631
	34,167	34,337

Condensed statement of changes in equity	2016 June KES Million	2015 December KES Million
Share capital	1,815	1,815
Revaluation reserve	7,306	7,424
Fair value and translation reserves	(977)	(698)
Retained Earnings	18,453	18,348
Non-controlling interest	3,055	2,817
At end of the period	29,652	29,706

Condensed Statement of Cash Flows	2016 June KES Million	2015 June KES Million
Cash generated from operations	4,101	5,541
Interest received	206	153
Net foreign exchange gains	(27)	(339)
Tax paid	(2,010)	(1,213)
Net cash generated from operating activities	2,270	4,142
Net cash used in investing activities	(86)	(304)
Net cash used in financing activities	(151)	(39)
Net increase in cash & cash equivalents	2,033	3,799
At beginning of the year	8,453	7,644
Translation loss	(30)	-
At end of the period	10,456	11,443

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 statements, and should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 31 December 2015.

HIGHLIGHTS

The Group results are a strong first half of the year, sustained from the results achieved in the same period in 2015.

However, turnover was KES 19.1 billion slightly down from KES 19.3 billion prior year following a slow growth in the individual home builder segment in Kenya that was affected by the higher level of interest rates experienced in the last half of 2015, lagging construction activity into the first quarter of 2016 together with slightly reduced volumes into inland Africa export markets. Turnover was positively impacted by vibrant infrastructure and contractor segments across the region together with a stable macro-economic environment in the key markets of Kenya, Uganda and Rwanda.

Operating profit for the first half of the year increased from KES. 4 billion to KES 4.1 billion, despite a highly competitive market, resulting from continued prudent cost management, mastery of plant and logistics processes coupled with expansion of innovative customer solutions.

Profit before tax declined to KES 4.3 billion from KES 4.5 billion due to exchange losses on US dollar denominated liquid assets, as the Kenya Shilling stabilised compared to large exchange gains in 2015. On the positive side, the Group gained from an increase in investment income on its local currency cash resources against a background of a higher interest rate environment from the second half of 2015.

With the improved 2015 results that have sustained in 2016, the Group corporation taxes paid increased to KES 2 billion from KES. 1.2 billion in the half year. Cash generated from operations was KES 2.3 billion, after tax payments, as the Group used its cash resources to invest in lower priced bulk inventory materials as part of its initiatives to lower costs in the second half of the year.

2016 OUTLOOK

The Group continues to provide innovative value added and cost effective construction solutions to its customers, striving to exceed customer expectations in a vibrant construction industry across its key markets. This should be achieved against a background of a stabilised macro-economic environment and steady economic growth in the Group's key markets, stable energy prices, and continued investment in infrastructure projects.

The Group will continue to benefit from and leverage on prior costs and process initiatives and is well positioned, from a capability and brand position, to leverage on these benefits while remaining profitable and creating value to all its stakeholders.

CAPACITY EXPANSION ANNOUNCEMENT

The Group has approved Phase 1 of a capacity expansion project in both Kenya and Uganda, which will increase cement capacity by 1.7mt (million tons) at an approximate cost of KES 8.3 billion. The Group is also undertaking advanced studies on Phase 2 of this expansion project, aimed at solidifying its position as the least cost producer in the region the Group operates in.

DIVIDEND

The Board of Directors recommends payment of an interim dividend of KES 6.00/= per ordinary share (KES 6.00/= per ordinary share paid in 2015).

CLOSURE OF SHARE REGISTER

The interim dividend is proposed to be paid on or about 28 October 2016 to members on the register at close of business on 23 September 2016. Accordingly, the register of members will close at 4.30 pm on 23 September 2016 and will remain closed up to 26 September 2016.

CHANGES IN DIRECTORSHIP

The Board of Directors has approved the appointment of Thibault Dornon as alternate director to Dominique Drouet with immediate effect.

By Order of the Board,

Bruno Pescheux
Group Managing Director
25th August, 2016



The only integrated one-stop shop for all cement and concrete solutions

For more information about the company visit www.lafarge.co.ke