

# BAMBURI CEMENT LIMITED

The Directors of Bamburi Cement Limited are pleased to announce the unaudited Group results for the six months ending 30 June 2017

Condensed Statement of Comprehensive Income	2017 June KES Million	2016 June KES Million
<b>Turnover</b>	<b>17,535</b>	<b>19,111</b>
Operating costs	(14,879)	(14,962)
<b>Operating profit</b>	<b>2,656</b>	<b>4,149</b>
Investment income	97	218
Other gains and losses	(53)	(77)
Finance costs	(28)	(18)
<b>Profit before tax</b>	<b>2,672</b>	<b>4,272</b>
Taxation	(824)	(1,373)
<b>Profit for the Period</b>	<b>1,848</b>	<b>2,899</b>
EPS - KES per Share*	4.39	7.15

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

Condensed Statement of Financial Position	2017 June KES Million	2016 December KES Million
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant & equipment and intangibles	21,797	21,316
Other equity investments	359	278
Goodwill	217	217
	<b>22,373</b>	<b>21,811</b>
<b>Working capital</b>		
Current assets	12,143	11,860
Current liabilities	(6,201)	(6,872)
	5,942	4,988
Dividend Payable	(2,183)	(6)
<b>Cash and bank balances</b>	<b>7,405</b>	<b>6,972</b>
	<b>33,537</b>	<b>33,765</b>
<b>Capital and reserves</b>		
Share capital	1,815	1,815
Reserves	24,342	24,590
<b>Equity attributable to owners of the Company</b>	<b>26,157</b>	<b>26,405</b>
Non-controlling interests	3,666	3,414
Non current liabilities	3,714	3,946
	<b>33,537</b>	<b>33,765</b>

Condensed Statement of Changes in Equity	2017 June KES Million	2016 December KES Million
Share Capital	1,815	1,815
Revaluation reserve	7,033	7,163
Fair value	156	75
Translation reserves	(2,713)	(1,796)
Retained Earnings	19,866	19,148
Non-controlling interests	3,666	3,414
<b>At end of the period</b>	<b>29,823</b>	<b>29,819</b>

Condensed Statement of Cash Flows	2017 June KES Million	2016 June KES Million
<b>Cash generated from operations</b>	<b>2,275</b>	<b>4,101</b>
Interest received	88	206
Interest paid	-	-
Net foreign exchange gains	53	(27)
Tax paid	(1,189)	(2,010)
<b>Net cash generated from operating activities</b>	<b>1,227</b>	<b>2,270</b>
Net cash used in investing activities	(841)	(86)
Net cash used in financing activities	-	(151)
<b>Net increase in cash &amp; cash equivalents</b>	<b>386</b>	<b>2,033</b>
At beginning of the year	6,972	8,453
Translation loss	47	(30)
<b>At end of the period</b>	<b>7,405</b>	<b>10,456</b>

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 2016.

## HIGHLIGHTS

The business in Kenya experienced a difficult business environment characterised by a contracting market, low private sector investment resulting in slump in construction activity especially in the individual home builder segment, delays in some infrastructure projects, and drought conditions. In contrast, the business in Uganda enjoyed good market conditions in both domestic and export markets with Hima recording good performance.

As a result, the Group turnover at KES 17.5 billion was KES 1.6 billion behind prior year.

Operating profit reduced from KES 4.1 billion to KES 2.7 billion due to lower revenues, higher coal prices driven by increased world coal prices and higher power costs following drought conditions in Kenya.

Profit before tax declined to KES 2.7 billion from KES 4.3 billion due to lower operating profit, impact of lower cash deposits at lower interest rates and lower foreign exchange gains.

Cash decreased to KES 7.4 billion due to payments for the capacity expansion in both Kenya and Uganda together with lower cash from operations.

## CAPACITY EXPANSION PROGRESS

Phase 1 of the capacity expansion project in both Kenya and Uganda that will see the Group's cement grinding capacity increase by 1.8 million tons is on course and commissioning of both projects scheduled for the mid 2018. Studies on Phase 2 of the expansion are at an advance stage.

These actions will solidify the Group's position as the lowest cost producer in the region.

## 2017 OUTLOOK

The Kenyan market is expected to rebound in the last quarter while the Ugandan market is expected to continue performing well in line with the projected growth in both the domestic and regional markets.

The Group is well positioned strategically given its strong cash position, strong human capital and diversified brand portfolio. It will remain focused on execution of its route to market and cost mastery initiatives, enhancing the customer experience by providing innovative solutions while creating value to all its stakeholders in the medium to long term.

## DIVIDEND

The Board of Directors recommends payment of an interim dividend of KES 2.50/= per ordinary share (KES 6.00/= per ordinary share paid in 2016).

## CLOSURE OF SHARE REGISTER

The interim dividend is proposed to be paid on or about 27 October 2017 to members on the register at close of business on 22 September 2017. Accordingly, the register of members will close at 4.30 pm on 22 September 2017 and will remain closed up to 25 September 2017.

## By Order of the Board,

**Bruno Pescheux**

Group Managing Director

24 August 2017

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

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