

BAMBURI CEMENT LIMITED

The Directors of Bamburi Cement Limited are pleased to announce the audited Group results for the year ended 31 December 2016

Condensed Group Statement of Profit or Loss and Other Income	2016 December KES. Million	2015 December KES. Million
Turnover	38,034	39,200
Cost of sales	(24,790)	(26,670)
Gross profit	13,244	12,530
Operating expenses	(5,375)	(5,251)
Operating profit	7,869	7,279
Investment income	369	374
Other gains and losses	33	997
Restructuring costs	—	(192)
Profit before tax	8,271	8,458
Tax	(2,381)	(2,586)
Profit for the year	5,890	5,872
Other comprehensive income for the year, net of tax	(997)	(681)
Total comprehensive income for the year	4,893	5,191
Earnings per share (EPS) - KES per Share	14.44	14.49

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

Condensed Group Statement of Financial Position	2016 December KES. Million	2015 December KES. Million
Assets		
Non-current assets		
Property, plant & equipment and intangible assets	21,316	23,145
Other equity investments	278	535
Goodwill	217	217
	21,811	23,897
Working capital		
Current assets	11,860	9,549
Current liabilities	(6,872)	(7,465)
	4,988	2,084
Dividend payable	(6)	(97)
Cash and cash equivalents	6,972	8,453
Total assets	33,765	34,337
Equity and liabilities		
Share capital	1,815	1,815
Reserves	24,590	25,074
Equity attributable to owners of the Company	26,405	26,889
Non-controlling interests	3,414	2,817
Non-current liabilities	3,946	4,631
Total equity and non-current liabilities	33,765	34,337

Condensed Statement of Cash Flows	2016 December KES. Million	2015 December KES. Million
Cash generated from operations	6,814	8,320
Interest received	369	374
Net foreign exchange gains	190	104
Tax paid	(3,424)	(2,531)
Net cash generated from operating activities	3,949	6,267
Net cash used in investing activities	(448)	(966)
Net cash used in financing activities	(4,764)	(4,451)
Net (decrease)/increase in cash and cash equivalents	(1,263)	850
At beginning of the year	8,453	7,644
Effects of translation on cash held in foreign currencies	(218)	(41)
At end of the year	6,972	8,453

Condensed Statement of Changes in Equity	2016 December KES. Million	2015 December KES. Million
Share capital	1,815	1,815
Revaluation reserve	7,163	7,424
Fair value reserve	75	332
Translation reserves	(1,796)	(1,030)
Retained earnings	19,148	18,348
Attributable to equity of the Company	26,405	26,889
Non – controlling interest	3,414	2,817
At end of the year	29,819	29,706

Explanatory notes: These results are extracted from the consolidated financial statements of Bamburi Cement Limited for the year ended 31 December 2016. The financial statements were audited by Ernst & Young LLP and have received an unqualified opinion.

HIGHLIGHT

The Group results for the full year 2016 reflect an 8% growth in operating profit compared to 2015.

Group turnover for the year was slightly below 2015 at KES 38.0 billion on the backdrop of a competitive operating environment. Overall, there was a marginal reduction in volumes into inland Africa export markets and intense competition particularly in the individual home builder segment impacting prices in some markets. This was offset by higher volumes in the infrastructure and contractor segment in the key markets of Kenya, Uganda and Rwanda.

Operating profits increased by 8% to KES 7.9 billion driven by the benefits of the Group's cost management measures, a tight focus on energy costs and the realisation of the plants' efficiency projects both in Kenya and Uganda despite higher inventory provisions. Profit before tax was slightly below 2015 at KES 8.3 billion on account of lower currency gains from holding large foreign cash balances due to stability in currency environment in 2016.

The Group generated cash from operations of KES 6.8 billion registering a lower net cash from operating activities compared to 2015, arising from the increased tax payments to the Exchequer following the strong performance in 2015, increased working capital and mobilization cash payments for the capacity increase projects, included as pre-payments.

2017 OUTLOOK

The Group is cognisant of the increased competitive environment and the upward trend in global commodity prices across the region, in addition to the drought condition in major parts of Kenya. Notwithstanding, the Group is well positioned to implement appropriate strategies to enhance the Group's growth and profitability, and will focus on maintaining a superior offer to the market through, innovation and first-rate customer service, while leveraging on its human capital, technical resources and innovative spirit to deliver another year of strong performance.

The Group focus remains to delight its customers with innovative constructions solutions in a safe and healthy environment while reducing its ecological footprint impact on the planet.

CAPACITY EXPANSION UPDATE

The Group commenced Phase 1 of the capacity increase with the project mobilisation complete and excavation work ongoing in both Kenya and Uganda. The Group is confident that both projects will be completed on schedule by the mid 2018.

DIVIDEND

An interim dividend of KES 6.00/= per ordinary share amounting to KES 2,178 million was paid on 28 October 2016.

The Board of Directors recommends payment of a final dividend of KES 6.00/= per ordinary share (KES 7.00/= per ordinary share paid in 2015) subject to approval by shareholders at the Annual General Meeting. The final dividend, when added to the interim dividend already paid, brings the total dividend for the year to KES 4,356 million (KES 4,718 million in 2015).

CLOSURE OF SHARE REGISTER

Subject to approval by the Shareholders at the Annual General Meeting, the final dividend for 2016 will be paid on 14 July 2017 to members on the register at close of business on 7 April 2017. Accordingly, the register of members will close at 4.30pm on 7 April 2017 and will remain closed up to 10 April 2017.

CHANGES IN DIRECTORSHIP

The Board of Directors is pleased to announce the appointment of Alice Owuor, Dr Helen Gichohi and Rita Kavashé as Directors of the Company with immediate effect.

By Order of the Board,

Bruno Pescheux
Group Managing Director
9th March, 2017

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