

## Press Release:

### Lafarge Bamburi Group reports a 4% growth in Turnover to 37.5 billion.

*Bamburi Cement Group's strategic actions continue to deliver top line growth in a taxing cost environment.*

The Board of Directors of Bamburi Cement Ltd met on 28<sup>th</sup> February 2013 to approve the audited results for the year ended 31<sup>st</sup> December 2012.

#### Full Year key figures vs. prior year:

▪ <b>Turnover:</b> up to KShs. 37.5 billion	▪ <b>Cash &amp; Cash equivalents:</b> KShs. 8.8 billion
▪ <b>Operating profit:</b> dip to KShs. 6.8 billion	▪ <b>Earnings Per Share:</b> KShs. 12.98
	▪ <b>Taxes Paid:</b> KShs. 1.8 billion

#### Results Highlights:

- Bamburi Cement Group continues to demonstrate strong resilience by returning a growth in top line
- Turnover up by 4% to Kshs 37.5 billion driven by volume growth mainly in Kenya from a renewed focus on improving the route to market and a vibrant customer loyalty program.
- Strengthening of our market position through investments in brand building and in downstream segments of Ready mix and Precast.
- Operating profit decreased 14% to Kshs. 6.8 billion, on account of higher use of imported clinker in Kenya and higher power price in Uganda. Nevertheless this was mitigated through continued robust cost management actions around improved energy efficiencies, higher use of alternative biomass fuels and managing both plant and administrative overheads.
- Pre-tax profit dropped by 15% with a reduction in exchange gains on foreign currency cash balances, partially shored by higher investment income on cash deposits.
- Bamburi Cement Group continues to focus on working capital management to optimize its cash position.

#### 2013 Outlook:

Bamburi Cement Group anticipates the underlying demand to continue growing in the region, despite a slow start in Kenya, influenced by the election period. The regional demand growth will also be supported by improved political stability in the inland Africa export markets. Bamburi Cement Group remains well positioned to take advantage of such growth opportunities.

Furthermore, Bamburi Cement Group expects to see improved productivity and efficiencies in the Industrial operations, and to take full benefit of the completed bag filter project at the plant in Mombasa. We expect to significantly reduce on use of imported clinker, continue on the cost containment actions while optimizing the working capital.

To realise its vision, Bamburi Cement Group will focus on key strategic priorities namely; superior customer service, industrial excellence and a committed work force. It will seek to leverage on the strong brand equity, its position in the concrete and precast segments, cost leadership, optimising on the fuel mix with biomass alternative fuels and working capital optimization.

### **Innovation and Contribution to the Economy**

Bamburi Cement Group has adopted a strategy of vertical integration which has seen its investment in its downstream business continue to grow with additional capacity in Ready mix and pre-cast coming on-stream and thereby offering more value added products in our portfolio.

Bamburi Cement Group continues to be a significant tax payer in the region. It paid tax amounting to KShs. 1.8 billion in the year.

### **Safety, Health and Environment:**

Bamburi Cement Group has maintained its priority of delivering a safe and healthy work place with the focus on achieving zero fatalities at all its operations. We continue to champion a road safety culture and have engaged in extensive partnerships with stakeholders to make the roads in East Africa safer as well as engaging in employee and contractor driven industrial safety program.

On the environment front, a significant investment of Kshs 0.3 billion has been put into upgrading the Electrostatic Precipitators installation with more efficient bag filter technology in Uganda. This is scheduled to be completed within the first half of 2013. Bamburi Cement Group are leading in reduction in the use of fossil fuels in line with the continued investment in alternative fuel sources and waste management initiatives. We continue to be recognised with Lafarge Eco-Systems awarded a "Certificate of Excellence for the 2012" by TripAdvisor.com for earning exceptional traveller ratings at Haller Park over the past year.

The Country CEO, emphasised that going forward the Bamburi Cement Group shall continue focusing on safety and health excellence, superior customer service, operational efficiencies and cost management. This will be achieved while ensuring the business stays true to its values of developing people and being a responsible Corporate citizen.

### **Dividends**

The Board of Directors recommends payment of a final dividend of KShs. 8.50/= per ordinary share (KShs. 8.00/= per ordinary share paid in 2011) 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 KShs. 3,812 Million (KShs. 3,624 Million in 2011).

### **NOTES TO EDITORS**

Lafarge Bamburi Group is the leading cement producing and marketing Group in the Eastern Africa region. Its subsidiaries include Hima Cement Ltd (Uganda), Bamburi Special Products Ltd and Lafarge Ecosystems Ltd. Bamburi Cement is a subsidiary of Lafarge.



*Located in 64 countries with 65,000 employees, Lafarge is a world leader in building materials, with top-ranking positions in its Cement, Aggregates & Concrete businesses. In 2012, Lafarge posted sales of 15.8 billion euros. Since 2010, the Lafarge Group has been part of the Dow Jones Sustainability World Index, the first global sustainability benchmark, in recognition of its sustainable development actions. With the world's leading building materials research facility, Lafarge places innovation at the heart of its priorities, working for sustainable construction and architectural creativity.*

Additional information is available on the web sites at [www.Lafarge.com](http://www.Lafarge.com) and [www.Lafarge.co.ke](http://www.Lafarge.co.ke)

**Bamburi Cement Group  
CORPORATE COMMUNICATIONS DIRECTOR:**

Susan Maingi: +254 -20 2893300

[Susan.Maingi@bamburi.lafarge.com](mailto:Susan.Maingi@bamburi.lafarge.com)

**Bamburi Cement Group  
GROUP FINANCE DIRECTOR:**

Eric Kironde: +254 -20 2893300

[Eric.Kironde@bamburi.lafarge.com](mailto:Eric.Kironde@bamburi.lafarge.com)

