Lafarge Bamburi Group reports a 28% growth in Turnover to 35.9 Billion in 2011

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The Group investment in new capacity steers up the turnover and sustains profitability in a taxing cost environment.

The Board of Directors of Bamburi Cement Ltd, chaired by Richard Kemoli, met on 23rd February 2012 to approve the audited results for the year ended 31st December 2011.

Results Highlights:

- Growth in turnover driven by volumes growth across the regions a testimony of our strong brands and vibrant customer loyalty program.
- Notwithstanding the difficult operating environment amplified by surging fuel, transport and power costs; operating profit grew by 9% driven by higher turnover and cost management measures.
- Pre-tax profit rose 12% to stand at KShs. 8.5 billion driven by benefit from the high interest rate regime on deposits and exchange gains partially eroded by higher loan financing costs for new capacity in Uganda.
- The Group continues to focus on working capital management to optimise its cash position.

2012 Outlook:

The Group remains cautious on the local and global macroeconomic environment for 2012. While early positive signs are starting to develop in the United States economy, sovereign debt concerns in the Eurozone, political instability in the Middle East, cost inflation in developing markets, and uncertain political environment in Kenya continue to make visibility difficult.

The Group remains committed to contributing to the growth of the East African economy. The new investment in Uganda and recent expansion of its downstream business has reinforced the Group's position as the regional market leader.

The Group is well positioned to grow its footprint in the region and will focus on key strategic priorities, namely customer service and industrial excellence, strong brand equity, cost leadership, working capital optimization and a committed work force to realize its vision.

Capacity enhancement, innovation and contribution to the East African Economy:
In addition to the new cement capacity in Uganda, we continue to look for opportunities to enhance our product and service offering through investment in value added products from the downstream business.

The new investment in Uganda has enhanced cement availability, created employment and increased taxes to the government, overall supporting Uganda's growth as the country gears up for the expected burgeoning of the oil industry. We are proud of our contribution to building infrastructure in East Africa notably the Bujagali Hydro-electric Dam in Uganda, the Thika Road Highway project in Kenya and several infrastructure projects across the region as we cement our leadership in providing construction solutions.

The Group continues to be one of the largest tax payers in the region. The Group paid tax amounting to KShs. 2.3 billion in the year.

Safety, Health and Environment:
The group has maintained its priority of delivering a safe work place. During the year, the Group's focus on safety was evidenced by zero industrial and road fatalities for both employees and contractors. Similarly, Bamburi Cement continues to champion a road safety culture through road patrols,

drivers fatigue management courses as well as employee and contractor driven industrial safety.

During the year, Hima Cement was recognised for its maturity in safety culture by being awarded entry in the prestigious ‘Lafarge Health and Safety Excellence Club’. The excellence club recognises businesses which demonstrate an outstanding sustainable safety culture with zero accidents. Bamburi Cement maintained its position in the Club having joined in 2010.

On the Environment front, Lafarge Eco System was awarded “Rookie of the year” award by the Wildlife Habitat Council for an outstanding environmental stewardship and voluntary employee effort towards educational activities in Haller Park.

Dividends

The Board of Directors recommend payment of a final dividend of KShs. 8.00/= per ordinary share (KShs. 7.00/= per ordinary share paid in 2010) 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. 3,629 Million (KShs. 3,085 Million in 2010).

Following reorganization within the Lafarge Group, John Stull resigns as a director of the Company with immediate effect, to take up a new position within the Lafarge group. We thank him for having served as a director and wish him all the best in his new role.

For more information please contact:

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