

Bamburi Cement profit before tax grows by 5.5% to Ksh 5.8 billion

27.08.2015

Bamburi Cement Ltd has today announced a 5.5% increase in Profit before Tax from KSh 5.5 to KSh 5.8 billion in its full year results for 2014. Operating profit for the period was KShs 5.5 billion compared to KShs 5.2 billion in the previous year.

Group's turnover increased by 6% from KSh 34 billion in 2013 to KSh 36 billion mainly as a result of improved market conditions in Uganda, which is expected to continue into 2015.

Commenting on the Company's results, the Board stated "We have made good progress by ratcheting up sales locally and within the region". In addition to improving market conditions in Uganda, we experienced growth in the Kenyan market, in particular in the infrastructure segment in the latter part of the year, with key projects getting off the ground. We have also seen good growth in the contractor segment, especially through selling value added products, as well as improved Exports into inland Africa with the exception of those into South Sudan.

The cost base for the year was influenced by high power prices in Kenya compared to 2013, which on a positive note started coming down in the last quarter of the year, with the commissioning of additional Geothermal power into the National Grid. In Uganda, the company successfully launched its petcoke fuel conversion at Kasese plant, which started giving it energy cost benefits, in the latter half of the year.

Commenting on the outlook for 2015, the Group Managing Director, Bruno Pescheux stated that the prospects for the industry look promising with the regional economies expected to achieve strong growth in 2015 compared to prior year, due to improved macro-economic environment in both Kenya and Uganda, characterized by single digit inflation, lower commercial bank lending and stable exchange rates.

"We are very optimistic about market growth prospects in both our domestic and inland Africa export markets and are well positioned to benefit from them. At the same time, a number of large infrastructure projects have been or are being launched in both Kenya and Uganda, which with our wide cement and concrete portfolio of brands across the region, places us in a strong position to supply. This, together with our improving cost base following the completion of a number of cost containment measures at all our plants, gives us good foundation for a robust 2015".

Dividends:

The Board of Directors recommends payment of a final dividend of KShs. 6.00/= per ordinary share (KShs. 9.00/= per ordinary share paid in 2013) 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. 4,356 Million (KShs. 3,993 Million in 2013). An interim dividend of KShs 6.00/= per ordinary share was paid in October 2014.

END/-

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.

A world leader in building materials, Lafarge employs 63,000 people in 61 countries, and posted sales of €12.8 billion in 2014. As a top-ranking player in its Cement, Aggregates and Concrete businesses, it contributes to the construction of cities around the world, through its innovative solutions providing them with more housing and making them more compact, more durable, more beautiful, and better connected. With the world's leading building materials research facility, Lafarge places innovation at the heart of its priorities in order to contribute to more sustainable construction and to better serve architectural creativity.

CONTACT

Bamburi Cement Group

CORPORATE AFFAIRS &
COMMUNICATIONS
DIRECTOR

Susan Maingi : +254 20 2893300

Susan.Maingi@lafarge.com

Bamburi Cement Group

FINANCE DIRECTOR

Eric Kironde: +254 20
2893300

Eric.Kironde@lafarge.com