

Condensed Income Statement for the year ended 31 December 2007

	2007	2006
	KES Million	KES Million
Turnover	22,111	16,488
Operating profit	5,513	3,959
Financing costs	(70)	(121)
Profit before tax and minority interest	5,443	3,838
Tax	(1,633)	(1,039)
Profit after tax	3,810	2,799
Minority interest	(214)	(185)
Profit attributable to shareholders	3,596	2,614
First interim dividend - paid in the year	726	726
Second interim dividend - paid in the year	1,270	726
Final dividend - proposed	182	545
	<u>2,178</u>	<u>1,997</u>
Earnings per share (KES) – basic and diluted	9.91	7.20

Consolidated Balance Sheet as at 31 December 2007

	2007	2006
	KES Million	KES Million
Assets		
Non-current assets		
Property, plant & equipment	13,632	12,931
Working capital		
Current assets	7,088	5,582
Current liabilities	(3,223)	(2,458)
Net working capital	3,865	3,124
	<u>17,497</u>	<u>16,055</u>
Capital and reserves		
Share capital	1,815	1,815
Capital redemption reserve fund	2	2
Retained earnings and reserves	12,412	11,200
Shareholders funds	14,229	13,017
Minority interests	846	719
Non-current liabilities	2,422	2,319
	<u>17,497</u>	<u>16,055</u>

Condensed Cashflow Statement for the year ended 31 December 2007

	2007	2006
	KES Million	KES Million
Operating profit before working capital changes	6,060	4,467
Changes in working capital	(2,504)	432
Cash generated from operations	3,556	4,899
Net interest received / (paid)	52	18
Tax paid	(1,680)	(1,213)
Net cash from operating activities	1,928	3,704
Net cash used in investing activities	(1,237)	(739)
Net cash used in financing activities	(2,577)	(1,452)
Decrease/ (Increase) in cash & cash equivalents	(1,886)	1,513
At start of period	2,057	503
Exchange adjustment	88	41
At end of period	259	2,057

Condensed statement of changes in equity for the year ended 31 December 2007

	2007	2006
	KES Million	KES Million
Share Capital	1,815	1,815
Capital Redemption Reserve	2	2
Revaluation reserve	2,786	2,965
Fair value and translation reserves	2,432	2,194
Retained Earnings	7,194	6,041
Attributed to Bamburi equity holders	14,229	13,017
Attributed to Minority shareholders	846	719
At end of period	15,075	13,736

Explanatory note: These financial statements have been prepared in accordance with prior year accounting policies adopting new and revised International Financial Reporting Standards.

KEY HIGHLIGHTS

The Group's performance for the year benefited from investments made during the past 2-3 years on people, processes and partners helping it build a strong foundation for its future success.

Despite the challenging environment across the region, the Group's turnover grew by 34% on account of strong sales across all markets stimulated by high Individual Home Builder demand and growth in the contractor segment (public and private infrastructure projects). In Uganda, the Group recorded very strong growth on the back of infrastructural development projects ahead of the Commonwealth Heads of Government Meeting (CHOGM) held in November 2007.

The Group's operating profit remained strong despite a difficult operating environment, mainly power quality challenges in Uganda, increased transport costs, higher fuel prices and use of purchased clinker. The subsidiary in Uganda recorded strong profitability growth.

During the year, the Group invested KES. 0.4 billion in a new cooler at the Mombasa plant aimed at boosting production efficiency. In Uganda, the construction of a new line at a cost of KES. 7 billion to double capacity commenced and is expected to be commissioned by 2010.

Financing costs were influenced by foreign exchange losses on the dollar denominated assets as a result of a stronger shilling compared to the US dollar in both countries. The increase in working capital was mainly due to the need to maintain higher inventories of imported materials, particularly clinker as result of operational challenges.

Dividend

During the year, the Company paid a 1st Interim Dividend of KES 2.00/= per ordinary share on 2 April 2007 and a 2nd Interim Dividend of KES 3.50/= per ordinary share on 8 October 2007. The total of the two interim dividends for 2007 was KES 1,996 million.

The Board of Directors has also recommended payment of a final dividend of KES 0.50/= per ordinary share, which will bring the total dividends for the year to KES 2,178 million or 120% per ordinary share.

CLOSURE OF SHARE REGISTER

Final Dividend for 2007

Subject to approval by the shareholders at the Annual General Meeting, the final dividend for 2007 will be paid on or about 5 June 2008 to members on the register at close of business on 28 March 2008. Accordingly, the register of members will close at 4.30pm on 28 March 2008 and will remain closed until 31 March 2008.

ANNUAL GENERAL MEETING

The notice for the 57th Annual General meeting of the Company, to be held at Nyali Beach Hotel, Mombasa on Wednesday, 4 June 2008 at 3.00 pm together with the Annual Report and Financial Statements will be dispatched to shareholders on or about 21 April 2008.

OUTLOOK 2008

Looking ahead, the Group expects a robust year with increased construction activities and other infrastructure developments across all markets. An unstable environment in Kenya would however have adverse ramifications, in particular dampened demand and increased costs.

The Group anticipates pressure on key costs such as transport, fuel and power prices. Concerns also persist on stability and adequacy of power supply.

The Group is committed to building a strong and integrated group across all of its operations in East Africa.

By order of the Board
B Kanyagia, Company Secretary
26 February 2008

