BAMBURI CEMENT LIMITED

The Directors of Bamburi Cement Ltd are pleased to announce the audited Group results for year ended 31 December 2013

Condensed Statement of Profit or Loss and Other Comprehensive Income

	2013 KShs. Million	2012 KShs. Million
Turnover	**33,928**	**37,491**
Operating costs	(28,686)	(30,650)
Operating profit	**5,242**	**6,841**
Investment income	473	657
Other gains and losses	(78)	(71)
Finance costs	(121)	(251)
Profit before tax	**5,516**	**7,176**
Tax	(1,843)	(2,294)
Profit for the year	**3,673**	**4,882**
Total other comprehensive income, net of tax	**908**	**5,830**
Total comprehensive income	**4,581**	**10,712**
Earnings per share (EPS) - KShs. per Share*	9.55	12.17

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

Condensed Statement of Financial Position

	2013 KShs. Million	2012 KShs. Million
Assets		
Non-current assets		
Property, plant and equipment and intangible assets	25,975	25,907
Other equity investments	787	452
Goodwill	217	(271)
	26,979	**26,576**
Working capital		
Current assets	7,161	7,693
Current liabilities	(5,981)	(7,011)
	1,180	**682**
Cash and bank balances	**8,876**	**8,769**
Total assets	**37,035**	**36,027**
Equity		
Share capital	1,815	1,815
Reserves	27,115	26,571
Attributable to equity holders of the parent	**28,930**	**28,386**
Non-controlling interests	2,580	2,475
Total equity	**31,510**	**30,861**
Non-current liabilities	5,525	5,166
Total equity and non-current liabilities	**37,035**	**36,027**

Condensed Statement of Cash Flows

	2013 KShs. Million	2012 KShs. Million
Cash generated from operations	**6,631**	**8,977**
Interest received	473	651
Interest paid	(121)	(251)
Net foreign exchange (loss)/gain	45	(98)
Tax paid	(1,788)	(1,818)
Net cash generated from operating activities	**5,240**	**7,461**
Net cash used in investing activities	(888)	(1,424)
Net cash used in financing activities	(4,245)	(4,404)
Net increase/(decrease) in cash and cash equivalents	**107**	**1,633**
At beginning of the year	8,769	7,136
At end of the year	**8,876**	**8,769**

Condensed Statement of Changes in Equity

	2013 KShs. Million	2012 KShs. Million
Share capital	1,815	1,815
Revaluation reserve	7,963	8,307
Fair value and translation reserves	278	(611)
Retained earnings	18,874	18,875
Attributable to equity holders of the parent	**28,930**	**28,386**
Non-controlling interests	**2,580**	**2,475**
At end of the year	**31,510**	**30,861**

Explanatory notes: *These results are extracted from the consolidated financial statements of Bamburi Cement Limited for the year ended 31 December 2013. The financial statements were audited by Ernst & Young and have received an unqualified opinion.*

HIGHLIGHTS

The Group's turnover decreased by KShs. 3.6 billion to KShs. 33.9 billion mainly as a result of lower revenues in Uganda due to margin pressure and significant reduction of exports to inland Africa markets due to political tensions in those markets. In Kenya, the domestic market contracted in the first half but rebounded in the second half while the infrastructure segment, where the Group provides the highest product specification standard, contracted as well. Operating profit for the period was KShs 5.2 billion compared to KShs. 6.8 billion from prior year with profit before tax of KShs. 5.5 billion.

During the year, the Group put in place several measures to mitigate the reduced revenues by focusing on cost savings, increasing alternative fuel substitution across the three plants and reducing reliance on purchased clinker due to stable operating conditions in Kenya. In Uganda, the Group invested KShs. 467 Million in a new Petcoke mill that will further reduce energy costs and KShs. 275 Million in a new bag filter in line with its environmental policy. The Group continues to develop its route to market across East Africa with a view to grow more profitable channels.

2014 OUTLOOK

2014 is expected to be a better year with the already evident easing political tensions in Uganda's major Inland Africa export markets and easing of margin pressure in Uganda. The issuance of the US$ 2 billion euro bond by the Kenya Government will improve the government's liquidity and spur infrastructure development, while reduction of the government domestic borrowing could see a further reduction in interest rates that should stimulate private sector led housing development.

Power tariffs in Kenya are expected to ease in the second half of the year though lower rainfall could increase the thermal power in the power generation mix. In January, Uganda migrated to cost reflective electricity tariffs by introducing automatic tariff adjustments with a reduction in base tariffs and an expectation of quarterly review of the cost related tariff.

With the commissioning of the Uganda Petcoke mill in the first quarter of 2014 and increased alternative fuel substitution, the Group expects to realize a significant reduction in the energy costs while improved plant efficiencies are expected to result in lower power consumption to mitigate against rising electricity tariffs.

The Group expects to maintain its market leadership position through continued focus on growing its route to market and operational excellence with the aim of offering world class customer service supported by strong brands and a strong heritage.

The Group is keen to identifying capacity increase opportunities in Kenya and Uganda in line with Lafarge's announcement of 10 million tons expansion in Sub Saharan Africa.

DIVIDEND

An interim dividend of KShs. 2.00/= per ordinary share amounting to KShs. 726 Million was paid on 11th October 2013.

The Board of Directors recommends payment of a final dividend of KShs. 9.00/= per ordinary share (KShs. 8.50/= per ordinary share paid in 2012) 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. 3,993 Million (KShs. 3,812 Million in 2012).

CLOSURE OF SHARE REGISTER

Subject to approval by the Shareholders at the Annual General Meeting, the final dividend for 2013 will be paid on or about 11 July 2014 to members on the register at close of business on 7 April 2014. Accordingly, the register of members will close at 4.30pm on 7 April 2014 and will remain closed up to 8 April 2014.

By Order of the Board,

Hussein Mansi
Managing Director
6 March 2014