LAFARGE

The Directors of Bamburi Cement Limited are pleased to announce the unaudited group results for the six months to 30 June 2008

Condensed Income Statement for six months ended 30 June 2008	2008 June	2007 June
	KShs. Million	KShs. Million
Turnover	11,447	10,516
Operating profit	2,873	2,367
Financing (costs) / income	(71)	29
Exchange gains / (losses)	83	(156)
Profit before tax and minority interest	2,885	2,240
Tax	(881)	(647)
Profit after tax	2,004	1,593
Minority interest	(87)	(107)
Profit attributable to shareholders	1,917	1,486
Interim dividends	1,162	1,996
Earnings per share (basic and diluted)	5.30	4.10

Condensed Cash flow Statement for for the six months ended 30 June 2008	2008 June	2007 June
	KShs. Million	KShs. Million
Cash (used) / generated from operations	(517)	2,567
Interest received	4	32
Interest paid	(75)	(3)
Tax paid	(948)	(914)
Net cash from operating activities	(1,536)	1,682
Net cash used in investing activities	(1,213)	(261)
Net cash received from / (used in) financing activities	3,061	1,265
Increase/(Decrease) in cash & cash equivalents	312	156
At start of period	259	2,086
At end of period	571	2,242

Condensed Balance Sheet as at 30 June 2008	2008 June	2007 June
Assets	KShs. Million	KShs. Million
Non-current assets	14,758	12,911
Property, plant & equipment		
Working capital		
Current assets	9,484	5,490
Current liabilities	(2,803)	(1,978)
Net working capital	6,681	3,512
	21,439	16,423
Capital and reserves		
Share capital	1,815	1,815
Capital redemption reserve fund	2	2
Reserves	14,177	11,511
Shareholders funds	15,994	13,328
Minority interests	977	820
Non-current liabilities	4,468	2,275
	21,439	16,423

Condensed statement of changes in equity for the six months ended 30 June 2007	2008 June	2007 June
	KShs. Million	KShs. Million
Share Capital	1,815	1,815
Capital Redemption Reserve	2	2
Revaluation reserve	2,779	2,756
Fair value and translation reserves	2,456	2,268
Retained Earnings	8,942	6,487
Attributed to Bamburi equity holders	15,994	13,328
Attributed to Minority shareholders	977	820
At end of period	16,971	14,148

Explanatory note: These financial statements have been prepared in accordance with prior year accounting policies with adoption of new and revised IFRS.

Highlights

Despite a difficult early part of the year due to post-election challenges, the Group's turnover rose by 9% due to strong market recovery in Kenya during the second quarter of the year. Export sales to Uganda were lower as a result of access disruption during the first quarter of the year.

The Group experienced significant cost increases compared to prior year with high increase in power, fuel-oil prices and freight rates resulting in huge operational challenges. There was further negative impact due to poor power quality in Uganda, long shutdown in Hima plant due to fuel shortage and increased use of purchased clinker in Uganda to meet increased market demand.

However, the Group's operating profit remained solid as it benefited from earlier productivity investments resulting in improved production, shorter plant shutdowns in Mombasa as well as cost optimization initiatives launched in 2006.

Financing costs are ahead of prior year due to interest expense on short-term borrowings to cover delays in Mombasa fire insurance compensation, expected in second half of the year.

Balance Sheet

The increase in fixed assets is due to large capital expenditure projects, including the Kasese Plant capacity increase project and a new clinker cooler in Mombasa.

The increase in net working capital was partly due to Mombasa fire insurance receivable of KShs. 1.6 billion together with increased coal and clinker stocks due to the fire. Non-current liabilities relate to borrowings in Uganda to finance the Capacity expansion project.

Cash flow

Overall cash position at end of June was below prior year mainly on account of delay in fire insurance claim payments and down payments on key capital expenditure projects.

Outlook for 2008

Despite a forecasted slow down in Kenya's GDP growth as a result of the disruptions during the first quarter, coupled with increasing fuel and power costs, the group remains optimistic to achieve good performance during the second half of the year. The Group has various actions in place, aimed at top line growth in addition to implementation of various cost optimisation initiatives to offset escalating costs. Our plant in Mombasa is now fully operational after fire repairs during the first quarter of the year.

Interim Dividend

The Board of Directors is pleased to announce the payment of an interim dividend of 64% per ordinary share (KShs. 3.20 per share) totalling KShs. 1,162 Million.

Closure of Share Register

The interim dividend will be paid on or about 6 November 2008 to members on the register at the close of business on 5 September 2008. The register of members will close at 4.30 pm on 5 September 2008 and will remain closed up to 8 September 2008.

Change of Directors

Albert Sigei and Eric Meuriot, who have moved elsewhere within the Lafarge Group, cease to be directors of the Company while Joshua Oigara and Bernard Les Bras are appointed in their place with effect from 8 August 2008.

By Order of the Board,

Ms. B Kanyagia,
Company Secretary
07 August 2008

Bamburi cement ltd