BAMBURI CEMENT LIMITED

The Directors of Bamburi Cement Limited are pleased to announce the unaudited Group results for the six months period ended 30 June 2012

Condensed Statement of Comprehensive Income	2012 June	2011 June
	KShs. Million	KShs. Million
Turnover	**19,201**	**16,421**
Operating profit	**3,550**	**3,920**
Investment income	432	95
Other gains and losses	(117)	456
Finance costs	(153)	(211)
Profit before tax	**3,712**	**4,260**
Taxation	(1,144)	(1,290)
Profit for the Period	**2,568**	**2,970**
Earnings Per Share (basic & diluted) – KShs Per Share	**6.38**	**7.65**

Condensed Statement of Financial Position	2012 June	2011 December
	KShs. Million	KShs. Million
Assets		
Non-current assets		
Property, plant & equipment	18,924	19,290
Other equity investments	690	640
Goodwill	217	217
	19,831	**20,147**
Working capital		
Current assets	6,533	6,219
Current liabilities	(6,491)	(5,097)
	43	**1,122**
Cash and bank balances	**7,665**	**7,136**
	27,539	**28,405**
Capital and reserves		
Share capital	1,815	1,815
Reserves	19,085	20,213
	20,900	**22,028**
Equity attributable to owners of the Company		
Non-controlling interests	2,238	2,146
Non-current liabilities	4,401	4,231
	27,539	**28,405**

Condensed Statement of Cash Flows	**2012 June**	**2011 June**
	KShs. Million	**KShs. Million**
Cash generated from operations	**5,138**	**3,873**
Interest received	426	104
Interest paid	(148)	(184)
Net foreign exchange gains (losses)	(150)	500
Tax paid	(642)	(1,174)
Net cash generated from operating activities	**4,624**	**3,119**
Net cash used in investing activities	(371)	(318)
Net cash used in financing activities	(3,545)	(2,670)
Net increase in cash & cash equivalents	**708**	**131**
Effects of exchange rate changes on cash held on foreign currencies	(179)	54
At beginning of the year	7,136	7,616
At end of the period	**7,665**	**7,801**

Condensed Statement of Changes in Equity	**2012 June**	**2011 June**
	KShs. Million	**KShs. Million**
Share Capital	1,815	1,815
Revaluation reserve	1,718	2,188
Fair value and translation reserves	450	559
Retained Earnings	16,918	15,796
Attributable to equity holders of the parent	**20,900**	**20,358**
Non-controlling interests	**2,238**	**1,617**
At end of the period	**23,138**	**21,975**

Explanatory notes: *These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 31 December 2011.*

Highlights

The Group turnover increased by 17% to KShs. 19.2 billion driven by impressive sales performance across all markets in spite of generally slower cement market growth amid increased competition in the region. Domestic and export sales to Inland Africa markets increased by 5.4% and 32.2% respectively as a result of strong commercial actions and improved value propositions to customers.

Despite the strong growth in turnover with increased volumes and robust cost management measures, the Group's operating profit reduced by 9% to KShs. 3.6 billion compared to similar period prior year due to an extremely difficult cost environment as a result of continued volatility of global fuel prices resulting in higher raw material, transport and power costs. This situation was further aggravated by the removal of Government power subsidy in Uganda consequently leading to increase in power prices by 70%.

Pre-tax profit reduced to KShs. 3.7 billion due to loan financing costs and exchange losses notwithstanding growth in investment income on deposits.

The Group continued to focus on cost reduction and working capital management initiatives to improve its profitability and optimize cash respectively. In the period under review, the Group generated cash from operations amounting to KShs. 5.1 billion, 33% ahead of 2011.

Outlook for Second Half of 2012

The Group remains strongly optimistic that the regional cement market will continue to be vibrant. Focus will be on retaining the upward trend of revenue growth. This will be achieved through brand and volume driving activities together with enhanced customer service supported by the recent capacity expansions in Mombasa and Nairobi of its downstream business.

The Electrostatic Precipitator installation, to be completed in August 2012, will bring compliance to global environmental standards while improving clinker production at Mombasa Plant.

The Group will continue to capitalize on progress made in its cost control measures to cushion the top line while ensuring growth and sustainability in the face of increased pressure from surging energy costs and transport rates.

Interim Dividend

The Board of Directors resolved to declare an interim dividend of 40% per ordinary share (KShs. 2.00/= per ordinary share) totalling KShs. 726 million. The interim dividend is the same level as prior year.

The interim dividend will be paid on or about 12 October 2012 to members on the register at the close of business on 31 August 2012.

Closure of Share Register

The register of members will close at 4.30pm on 31 August 2012 and will remain closed until 3 September 2012.

By Order of the Board,

Hussein Mansi
Managing Director
2 August 2012