

The Directors of Bamburi Cement Limited are pleased to announce the unaudited group results for the six months to 30 June 2006

Condensed income statement for six months ended 30 June 2006	2006 June	2005 June
	Shs Million	Shs Million
Turnover	<u>7,900</u>	<u>7,079</u>
Operating profit	1,934	1,585
Financing income/ (costs)	21	(67)
Profit before tax and minority interest	<u>1,955</u>	<u>1,518</u>
Tax	(594)	(492)
Profit after tax	1,361	1,026
Minority interest	(79)	(100)
Profit attributable to shareholders	<u>1,282</u>	<u>926</u>
First interim dividend	726	653
Second interim dividend	726	1,270
	<u>1,452</u>	<u>1,923</u>

Consolidated balance sheet as at 30 June 2006	2006 June	2005 December
	Shs Million	Shs Million
Assets		
Non-current assets		
Property, plant & equipment	<u>11,302</u>	<u>11,532</u>
Working capital		
Current assets	4,490	3,800
Current liabilities	(1,664)	(1,821)
Net working capital	2,826	1,979
	<u>14,128</u>	<u>13,511</u>
Capital and reserves		
Share capital	1,815	1,815
Capital redemption reserve fund	2	2
Revaluation reserve	2,823	2,821
Retained earnings	6,619	6,041
Shareholders funds	<u>11,259</u>	<u>10,679</u>
Minority interests	679	602
Non-current liabilities	2,190	2,230
	<u>14,128</u>	<u>13,511</u>

Condensed cashflow statement for the six months ended 30 June 2006	2006 June	2005 June
	Shs Million	Shs Million
Cash generated from operations	2,454	1,602
Net interest paid	(34)	(23)
Tax paid	(703)	(624)
Net cash from operating activities	1,717	955
Net cash used in investing activities	(122)	(19)
Net cash used in financing activities	(711)	(801)
(Increase)/Decrease in cash & cash equivalents	884	135
As start of period	503	633
At end of period	<u>1,387</u>	<u>768</u>

Explanatory note: These financial statements have been prepared in accordance with prior year accounting policies.

The group's result for six months reflects a 12% improvement in turnover driven by increased sales volumes in both countries arising from higher market demand and continued focus in growing our export markets. This increase was achieved on the back of higher power, fuel oil, raw material and transport costs. The Kenyan market remained stable but we continue to face stiff competition in Uganda, especially in the main central market.

Despite a difficult operating environment with acute power supply challenges in Uganda, our operating profit grew by 22%. We benefited from various initiatives to optimise operational efficiency and control costs.

Financing income increase was driven by improved dividend income and favourable exchange rate movement. The increase in working capital is due to stronger cash generation and lower level of borrowings especially in Uganda.

We expect a strong performance during the second half of the year despite increasing pressure on transport, fuel oil and power costs. We will continue with implementation of various cost optimisation initiatives to offset these escalating costs.

INTERIM DIVIDEND

The Board of Directors is pleased to announce the payment of a second interim dividend of 40% per ordinary share (Kshs 2.0 per share) totalling 726 million. This is in addition to the first interim dividend of 40% per ordinary share (Kshs 2.0 per share) amounting to Kshs 726 million paid in April 2006. This brings the total of the two interim dividends to 80% per ordinary share (Shs 4 per share) amounting to Kshs 1,452 million.

CLOSURE OF SHARE REGISTER

The second interim dividend for the year will be paid on or about 20th September 2006 to members on the register at the close of business on 31st August 2006. The register of members will close at 4.30 pm on 31st August 2006 and will remain closed up to 1st September 2006.

By Order of the Board,
Ms. M Nderitu, Company Secretary
2 August 2006