

ATHI RIVER MINING LIMITED**GROUP AUDITED FINANCIAL RESULTS- DECEMBER 31, 2007**

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31	31.12.2007 Ksh.'000	31.12.2006 Ksh.'000	% increase
Turnover	3,882,963	2,605,901	49%
Profit Before Tax	620,640	387,868	60%
Taxation	(198,981)	(123,311)	61%
Profit Before Minority Interest	421,659	264,557	59%
Minority Interest	680	(7,495)	
Profit Attributable to Equity holders of the parent	422,339	257,062	64%
Earning Per Share - (Ksh.)	4.26	2.76	54%

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31	31.12.2007 Ksh.'000	31.12.2006 Ksh.'000
Capital and Reserves		
Share Capital	495,275	465,000
Share Premium	302,027	241,477
Capital and Other Reserves	937,464	618,299
	1,734,766	1,324,776
Minority Interest	37,218	49,716
Total Equity	1,771,984	1,374,492
Non Current Liabilities	1,666,345	1,798,138
	3,438,329	3,172,630
Assets		
Non Current Assets	3,321,696	3,197,514
Working Capital:		
Current Assets	1,182,981	1,056,814
Current Liabilities	1,066,348	1,081,698
Net Working Capital	116,633	(24,884)
	3,438,329	3,172,630

CONDENSED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31	31.12.2007 Ksh.'000	31.12.2006 Ksh.'000
Cash Generated from Operations	852,386	452,226
Net Interest Paid	(179,736)	(172,371)
Tax Paid	-	(27,770)
Net Cash from Operating Activities	672,650	252,085
Net Cash used in Investing Activities	(342,399)	(915,850)
Net Cash from Financing Activities	(174,552)	274,984
Increase/(Decrease) in Cash and Cash Equivalents	155,699	(388,781)
At start of the Period	(147,163)	241,618
At end of the Period	8,536	(147,163)

YEAR 2007 RESULTS

During the year, the clinker plant was operating to capacity and contributed most significantly to the Company's growth in turnover and profitability. All other divisions grew during the year, most notably the Fertilizer Division, which achieved 115% increase in turnover.

Turnover for the year grew by 49% whilst profit after tax grew by 64% to Ksh 422 million. The gross margin improved from 35% to 36% in 2007 as a result of improved production efficiencies, particularly in the clinker plant. Earnings per share grew by 54%, from Ksh 2.76 to Ksh 4.26 in 2007.

Cash flow generated from operations was Ksh 973 million. Of this, payment towards interest cost was Ksh 180 million, investment in working capital of Ksh 121 million, ongoing capital expenditure of Ksh 342 million and dividends payment of Ksh 93 million. Net debt during the year was reduced by Ksh 259 million, from Ksh 1,887 million in 2006 to Ksh 1,628 million in 2007, and Shareholders funds increased to Ksh 1,772 million, thereby improving debt to equity ratio to 0.98.

OUTLOOK

The Company is confident that the political situation in the country will improve as the coalition Government takes shape. We expect all divisions of the company to operate at capacity throughout the year.

DIVIDEND

The Board of Directors recommends a final dividend payment of Ksh 1.25 per share for the year 2007. Subject to the approval by the shareholders, the dividend shall be paid in July 2008 to members on the register at the close of business on 28th May 2008. For these purposes, the register of members will remain closed between 29th May and 30th May 2008.

ANNUAL GENERAL MEETING

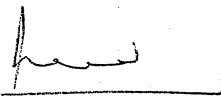
The Annual General Meeting of the Company will be held on Monday 9th June, 2008 at 11.30 am at the Crystal Ballroom, The Grand Regency Hotel, Nairobi.

By Order of the Board

R.R. Vora

Company Secretary

Athi River Mining Limited



31st March 2008.