

Holding Life Together

## THE EAST AFRICAN PORTLAND CEMENT COMPANY

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### ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31ST DECEMBER 2007

The Directors of East African Portland Cement Company Limited met on Tuesday 26th February 2008 and are pleased to announce the unaudited results for the six months period ended

Income Statement		
	Six Months Dec 2007 Shs'000'	Six Months Dec 2006 Shs'000'
Turnover	3,571,962	3,426,238
Operating profit	544,058	591,983
Finance income-Net	26,362	20,089
<b>Profit before taxation</b>	<b>483,185</b>	<b>1,039,448</b>
Taxation charge	(144,956)	(311,834)
<b>Net profit</b>	<b>338,229</b>	<b>727,614</b>
Earnings per share	3.80	8.10

Cashflow Statement for six months Ended Dec 2007		
	Six Months Ended Dec 2007 Shs'000'	Six Months Ended Dec 2006 Shs'000'
Balance at 1 July	2,179,503	2,560,280
Net Cash generated from operating activities	484,356	350,814
Net Cash used in Investing Activities	(284,661)	(298,391)
Net Cash used in Financing Activities	(190,894)	(113,338)
Balance at 31 December 2007	2,188,304	2,499,365

Balance Sheet as at 31 December 2007		
	As at 31 Dec 2007 Shs'000'	As at 31 Dec 2006 Shs'000'
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	5,619,910	5,671,231
Non Current Receivables and intangible assets	144,932	43,523
Restricted deposits	73,868	51,722
	<b>5,838,710</b>	<b>5,766,476</b>
<b>Working Capital</b>		
Current Assets	3,236,671	3,473,902
Current Liabilities	(1,284,570)	(1,319,799)
Net Working Capital	1,952,101	2,154,103
<b>Total Net Assets</b>	<b>7,790,811</b>	<b>7,920,579</b>
<b>Capital &amp; Reserves</b>		
Share Capital	450,000	450,000
Share Premium	648,000	648,000
Revaluation surplus	1,146,997	1,201,245
Retained Earnings	1,700,329	1,505,302
Total shareholders funds	3,945,326	3,804,547
Non- current liabilities	3,845,485	4,116,032
<b>Total Equity &amp; Liabilities</b>	<b>7,790,811</b>	<b>7,920,579</b>


Statement of Changes in Equity for Year Ended December 2007					
	Share capital	Share premium	Revenue reserve	Revaluation reserve	Total
As at 30th June 2007	450,000	648,000	1,146,997	1,362,100	3,607,097
As 1 July 2007	450,000	648,000.00	1,146,997	1,362,100	3,607,097
Net profit for the period				338,230	338,230
At 31st December 2007	450,000	648,000.00	1,146,997	1,700,330	3,945,327

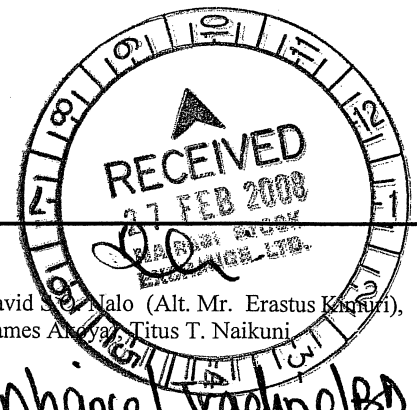
PERFORMANCE	
The Company recorded a 4 % increase in sales revenue as a result of improved pricing compared to similar period last year.	
Price adjustments were however not sufficient to offset inflationary increase in fuel prices, distribution costs, and the importation costs of clinker to supplement internally produced clinker. This led to a decline in operating profit by 8%	
During the period, the Kenya shilling depreciated against the yen resulting in an unrealized foreign exchange loss of Kshs 87M compared to an exchange gain of 427M of the same period last year.	

FUTURE OUTLOOK	
The current political challenges are likely to increase distribution costs, while the decline in the value of the shilling poses a challenge on foreign exchange fluctuation. However, the Company's expansion program on the ongoing additional cement milling capacity and the planned coal conversion plant to replace furnace oil are well on course. Upon completion, these will have a positive impact on the Company's earnings	

DIVIDENDS	
In view of the existing heavy capital commitments, the Directors do not recommend the payment of an interim dividend	

BY ORDER OF THE BOARD

  
 JLG MAONGA  
 SECRETARY



Directors: B. S. Ndeta (Chairman), Ndegwa K. Kagio (Ag. Managing Director), S.ole Kantai, Mr. David S. Nalo (Alt. Mr. Erastus Kinyari), R. A. Hadley\*(Alt. H. Keith), J. K. Kinyua (Alt. J.Kinyanjui), Mrs. Rachel K. Lumbasyo (Alt. Mr. James A. Titus T. Naikuni)

*Comphance Trading/BSD*