

PRESS RELEASE

FOR IMMEDIATE RELEASE

NAIROBI SECURITIES EXCHANGE REPORTS 40% INCREASE IN NET EARNINGS FOR THE SIX MONTHS ENDED JUNE 30,2015

August 25th, 2015

NSE continues to deliver on its promise of Discovering Opportunities through this excellent set of financial results for the 6 months ended 30th June 2015.

Key financial highlights include:-

- ***Total income which increased to Kshs.401.1 Million from Kshs.353.2 Million a growth of 14%.***
- ***Interest income which increased to Kshs.44.2 Million from Kshs.13.5 Million a growth of over 100% for the same period in 2014.***
- ***Profit before tax which increased by 22% from Kshs 178.9 Million to Kshs. 218.7 Million.***
- ***Profit after Tax which increased from Kshs 127.9 Million to Kshs 178.6 Million for the period ending 30th June 2015.***
- ***Total assets increased by 66% from Kshs. 1.14 Billion in 2014 to Kshs. 1.89 Billion in 2015.***

Nairobi August 25, 2015: The Exchange this morning held a press briefing to announce their 2015 Half Year financial results. Total income increased to Kshs.401.1 Million from Kshs.353.2 Million a growth of 14%. This was as a result of improved levies from the equity market and increased income from our data vending and post trade services.

Interest income increased to Kshs.44.2 Million from Kshs.13.5 Million a growth of over 100% as a result of prudent investment of the company's internally generated funds.

Profit before tax increased by 22% to Kshs. 218.7 Million from Kshs 178.9 Million driven by improved revenues and cost containment efforts.

Profit after Tax increased from Kshs 127.9 Million to Kshs 178.6 Million as a result of growth in earnings and tax benefit applicable following the listing of the company last year.

Total assets increased by 66% to Kshs.1.89 Billion from Kshs. 1.14 Billion as a result of additional capitalization of the company and growth in retained earnings.

Speaking during the press briefing Mr .Geoffrey Odundo, Chief Executive of NSE, said that " *The strong financial performance was achieved despite the macroeconomic challenges that affected not only Kenya, but broader African economies. Turnover in equity trading remained flat during the half year largely impacted on by the introduction of capital gains tax in the early part of the year and the potential introduction of transaction levy on marketable securities. In the bond market turnover declined by 17% year on year impacted on by the rising interest rates which continue to erode the valuation of these securities. We are working closely with our stakeholders to review tax regime that continues to impact negatively on our market.*

He continued to say that *"We continue to strive to deliver the best service to our shareholders, investors, issuers and other stakeholders through continuous innovation. We are set to launch our Derivatives Market, Real Estate Investment Trusts (REITS) and Exchange Traded Funds (ETF), all with an aim of broadening our product offering and deepening our capital market while further strengthening our position as the financial services hub for East and Central Africa"*.

The NSE has also commenced the upgrade of the Automated Trading System (ATS) and expects to complete the same in 2016, further enhancing our capability to support the trading of our new and existing products.

On the outlook for the next half of the year Mr.Odundo said that *"the Bourse remains optimistic on economic growth which will impact on investments and trading in listed securities"*. Mr. Odundo, concluded by saying that "The Exchange continues to pursue a clear strategy to become Africa's leading Exchange, fulfilling the aspirations articulated for the Financial Services Sector in the Vision 2030 which is to, *'Create a vibrant and globally competitive financial sector that will promote a high level of savings to finance Kenya's overall investment needs'*".

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Notes to the Editor

About the Nairobi Securities Exchange

The Nairobi Securities Exchange (NSE) is the principal securities exchange of Kenya. Besides equity securities, the NSE offers a platform for the issuance and trading of debt securities. The NSE is a member of the African Securities Exchanges Association (ASEA) and the East African Securities Exchanges Association (EASEA). It is an affiliate member of the World Federation of Exchanges (WFE), an associate member of the Association of Futures Markets (AFM) and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative (SSE).

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