



# ANNOUNCEMENT OF THE AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2019

The Directors of East African Portland Cement PLC are pleased to announce the audited consolidated results for the year ended 30th June 2019

## Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended:

	30 Jun 2019	30 Jun 2018 Restated
	Sh' 000	Sh' 000
Revenue	2,847,273	5,182,721
Cost of Sales	(4,052,555)	(5,272,608)
Gross Profit/(Loss)	<b>(1,205,282)</b>	<b>(89,887)</b>
Other Operating Income	1,691,487	398,235
Administration and Selling Expenses	(2,548,586)	(3,787,646)
Loss from Operating Activities	<b>(2,062,381)</b>	<b>(3,479,298)</b>
Interest Income	25,275	24,064
Fair value gain/(loss) on investment properties	(233,204)	11,342,244
Finance Costs	(691,588)	(845,278)
Profit/(Loss) Before Tax	<b>(2,961,898)</b>	<b>7,041,732</b>
Tax (Charge)/ Credit	(399,990)	811,541
Profit/(Loss) After Tax	<b>(3,361,888)</b>	<b>7,853,273</b>
Other Comprehensive Income	73,116	64,494
<b>Total Comprehensive Income</b>	<b>(3,288,772)</b>	<b>7,917,767</b>
Earnings/(loss) Per Share	(37.35)	87.26

## Condensed Consolidated Statement of Cash Flows for the year ended:

	30 Jun 2019	30 Jun 2018
	Sh' 000	Sh' 000
Cash flow used in Operations	(1,514,617)	(211,692)
Net Interest Paid	(156,412)	(317,126)
Taxation Paid	-	(992)
<b>Net Cash Used in Operating Activities</b>	<b>(1,671,029)</b>	<b>(529,810)</b>
<b>Net Cash Used in Investing Activities</b>	<b>1,178,011</b>	<b>(83,270)</b>
<b>Net Cash Generated from Financing Activities</b>	<b>385,506</b>	<b>1,466,706</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(107,512)</b>	<b>853,626</b>
Cash and Cash Equivalents as at 1st July	(1,025,650)	(1,879,276)
<b>Cash and Cash Equivalents as at 30 June</b>	<b>(1,133,162)</b>	<b>(1,025,650)</b>

## Condensed Consolidated Statement of Financial Position as at:

	30 Jun 2019	30 Jun 2018 Restated
	Sh' 000	Sh' 000
<b>Assets</b>		
Non-current assets	32,922,661	35,617,915
Current assets	3,618,444	1,985,639
<b>Total assets</b>	<b>36,541,105</b>	<b>37,603,554</b>
<b>Equity and Liabilities</b>		
Share capital	450,000	450,000
Other reserves	21,069,978	24,358,750
<b>Total equity</b>	<b>21,519,978</b>	<b>24,808,750</b>
Non current liabilities	1,232,026	4,672,772
Current liabilities	13,789,101	8,122,032
<b>Total liabilities</b>	<b>15,021,127</b>	<b>12,794,804</b>
<b>Total equity and liabilities</b>	<b>36,541,105</b>	<b>37,603,554</b>

## Condensed Consolidated Statement of Changes in Equity for the Year Ended 30 June 2019

	Share capital KShs'000	Share premium KShs'000	Asset revaluation reserve KShs'000	Retained Earnings KShs'000	Foreign currency Translation Reserve KShs'000	Total KShs'000
At 1 July 2017	450,000	648,000	1,630,387	14,115,692	26,904	16,890,983
Net Transfer of excess depreciation	-	-	(144,280)	144,280	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,910,252</b>	<b>7,515</b>	<b>7,917,767</b>
<b>At 30 June 2018</b>	<b>450,000</b>	<b>648,000</b>	<b>1,506,107</b>	<b>22,170,224</b>	<b>34,419</b>	<b>24,808,750</b>
At 1 July 2018 (As previously reported)	450,000	648,000	1,506,107	22,057,519	34,419	24,808,750
Prior Year Adjustment	-	-	-	112,705	-	-
At Start of Year	450,000	648,000	1,506,107	22,170,224	34,419	24,808,750
Net Transfer of excess depreciation	-	-	(145,308)	145,508	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,269,627)</b>	<b>(19,145)</b>	<b>(3,288,772)</b>
<b>At 30 June 2019</b>	<b>450,000</b>	<b>648,000</b>	<b>1,360,599</b>	<b>19,046,105</b>	<b>15,274</b>	<b>21,519,978</b>

## PERFORMANCE

Revenue for the year declined by 45% over the same period last year due to a constrained market. The Company faced increased competitive pressure coupled with excess supply leading to downward pressure on prices. Selling, General and Administration costs decreased by 33% due to a large provision for staff related court awards incurred in the prior year resulting in a decrease in the operating loss in the current period, as well as a reduction in staff related costs arising from staff rationalisation programme undertaken in the year.

The period under review coincided with the implementation of the company's restructuring programme which further impacted the performance of the business.

## FUTURE OUTLOOK

The Group is committed to continue improvements in service delivery to its customers as part of its customer value proposition with the aim of maximizing value to its shareholders in line with the corporate values of team work, quality and innovation. The main focus remains attainment of cost leadership and completion of balance sheet restructuring geared towards recapitalization of the business in order to achieve its strategic objectives. Emphasis will be placed on cost optimization and revenue enhancement through improvement of productivity and efficient use of resources.

Overall, the Company is implementing various strategic initiatives to boost sales revenue through improved plant throughput and product availability in order to reposition the Company into a more competitive and profitable entity.

**DIVIDEND**

The Directors do not recommend payment of dividend.

**BY ORDER OF THE BOARD**

**SHEILA KAHUKI  
COMPANY SECRETARY**