



ATHI RIVER MINING LTD

**UNAUDITED GROUP RESULTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011**

CONSOLIDATED INCOME STATEMENT	30.09.11	30.09.10	% INCREASE
	Ksh'000	Ksh'000	
Turnover	6,008,965	4,386,270	37%
EBITDA	1,579,033	1,157,077	36%
Profit Before Exchange Loss	977,881	759,660	29%
Unrealized Exchange Loss	681,017	-	
Profit Before Tax	296,864	759,630	-61%
Taxation	(103,917)	(242,982)	
Profit Attributable to Shareholders	192,947	516,648	-63%
Annualised Earning Per Share (Ksh.)	2.60	6.95	-63%
			AUDITED
CONSOLIDATED BALANCE SHEET AS AT		30.09.11	31.12.10
		Ksh'000	Ksh'000
Capital and Reserves			
Share Capital		495,275	495,275
Share Premium		302,027	302,027
Capital and Other Reserves		3,854,989	3,846,300
Total Equity		4,652,291	4,643,602
Non Current Liabilities		11,334,988	8,714,838
		15,987,279	13,358,440
Assets			
Non Current Assets		15,152,504	12,324,838
Working Capital:			
Current Assets		3,859,199	4,240,061
Current Liabilities		3,024,424	3,206,459
Net Working Capital		834,775	1,033,602
		15,987,279	13,358,440
CONSOLIDATED CASH FLOW FOR SIX MONTHS ENDED		30.09.11	30.09.10
		Ksh'000	Ksh'000
Cash Generated before working capital changes		1,579,033	1,157,077
Working Capital Changes		(469,210)	(505,452)
Cash Generated from operations		1,109,823	651,625
Net Interest		(239,391)	(165,224)
Tax Paid		(63,445)	(51,250)
Net Cash from Operating Activities		806,987	286,569
Net Cash used in Investing Activities		(2,704,199)	(2,352,662)
Net Cash from Financing Activities		1,483,694	2,638,148
Dividends Paid		(173,346)	(148,583)
Increase/(Decrease) in Cash and Cash Equivalents		(586,864)	572,055
At start of the Period		1,198,925	812,527
		-	-
At end of the Period		612,061	1,384,582

NINE MONTHS RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2011

The Board of Directors is pleased to announce the unaudited results for the Group for nine months ended September 30, 2011.

Turnover for the first nine months of 2011 increased by 37% to KES 6.03 billion over the corresponding period last year, driven mainly by higher sales of Rhino Cement following the increase of clinker manufacturing capacity at Kaloleni and commissioning of cement grinding plant at Athi River early in the year.

Whilst turnover increased by 37%, EBITDA (Earnings Before Interest Tax Depreciation and Amortization) increased by 36% over the same period, to KES 1.58 billion. Although the cost of raw materials, electricity, coal, fuel, spare parts, and transport increased during the year, the impact on earnings has been minimized through operating efficiencies of the new plant.

Profit Before Unrealized Exchange Loss during this period increased to KES 978 million, reflecting a 29% increase over the corresponding period last year. During the year, depreciation charge increased as a result of a higher fixed asset base upon commissioning of increased capacities in Kaloleni and Athi River. Similarly finance cost increased as interest on project borrowings became chargeable to the profit and loss account.

Due to steep depreciation of Kenya Shilling against the US Dollar during this period, the company has had to provide for an unrealized foreign exchange loss on its US Dollar borrowings, of KES 681 million. As a result the Profit After Tax for the first nine months stands at KES 193 Million.

PROVISION FOR UNREALISED FOREX LOSS

The company would have earned a Profit After Tax of KES 685 million, showing a 32% growth over the corresponding period last year, had this unrealized exchange loss not occurred. This exchange loss provision does not immediately impact the company's cash flow, and any reversal of the weakening of the Kenya Shilling against the US Dollar will result in a reduction of the provision. The Company is confident that its repayment obligations for the US Dollar borrowings will be adequately covered from foreign currency export earnings. In the meanwhile, the company continues to benefit from the lower interest costs of the US Dollar borrowings, which have primarily been used for building new cement capacity.

TANZANIA CEMENT PLANT

Construction of the 1.5 million tons per year cement plant in Tanzania at Tanga, and a grinding plant at Dar es Salaam is progressing well. The Dar es Salaam plant is planned to be operational by April, and the Tanga plant by October of next year. Both plants are expected to contribute to the Company's earnings in 2012.

OUTLOOK

The company continues to be positive about economic growth in the East Africa region and in particular about the construction sector, despite the prevailing adverse macro-economic conditions.

DIVIDEND

The Board of Directors do not propose any interim dividend.

By order of the Board

R. Vora
5th November 2011