



ATHI RIVER MINING LTD

**AUDITED GROUP RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED	31.12.2010 Ksh.'000	31.12.2009 Ksh.'000	% INCREASE
Turnover	5,964,670	5,144,822	16%
Profit Before Tax	1,112,962	948,714	17%
Taxation	(320,951)	(302,940)	6%
Profit for the year	792,011	645,774	23%
Other Comprehensive income:			
Exchange difference arising on translation of foreign operations	(12,739)	(18,774)	
Surplus on revaluation of property, plant and Equipment	-	2,140,295	
Deferred tax on revaluation	-	(642,089)	
Total other comprehensive income for the year	(12,739)	1,479,432	
Total comprehensive income for the year	779,272	2,125,206	
Earnings Per Share (Ksh.)	8.00	6.52	
Proposed Dividend Per Share (Ksh.)	1.75	1.50	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT	31.12.2010 Ksh.'000	31.12.2009 Ksh.'000
Share Capital	495,275	495,275
Share Premium	302,027	302,027
Capital and Other Reserves	3,846,300	3,331,628
Total Equity	4,643,602	4,128,930
Non Current Liabilities;		
Borrowings	6,764,785	3,014,298
Deferred income tax	1,950,053	1,644,101
	13,358,440	8,787,329
Assets		
Non Current Assets:		
Property, plant and equipment	12,189,267	8,688,161
Intangible assets and goodwill	105,109	58,038
Operating Lease Prepayments	30,462	32,146
Working Capital:		
Current Assets	4,240,061	3,342,205
Current Liabilities;		
Bank overdraft and short term loans	1,384,136	1,647,362
Term Loans payable within one year	569,891	541,142
Trade and other payables	1,252,432	1,144,717
Net Working Capital	1,033,602	8,984
	13,358,440	8,787,329

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED	31.12.2010 Ksh.'000	31.12.2009 Ksh.'000
Cash Generated before working capital changes	1,713,082	1,228,061
Working capital changes	(359,956)	(369,967)
Cash Generated from operations	1,353,126	858,094
Net Interest	(502,687)	(277,421)
Dividends and Tax Paid	(204,770)	(145,562)
Net Cash from Operating Activities	645,669	435,111
Net Cash used in Investing Activities	(3,668,779)	(2,215,960)
Net Cash from Financing Activities	3,127,744	1,971,483
Increase/(Decrease) in Cash and Cash Equivalents	104,634	190,634
At start of the Period	53,127	(137,878)
Exchange Adjustment	(22,973)	371
At end of the Period	134,788	53,127

2010 RESULTS

The Board of Directors is pleased to announce the audited results for the Group for the year ended December 31, 2010.

Turnover increased by 16% from Ksh. 5.14 billion in 2009 to Ksh. 5.96 billion in 2010. Cement sales increased by 22% on the back of increased capacity which came on stream in October last year. Fertilizer volumes and sales increased by 44% whilst other divisions also registered positive growth.

Group Profit After Tax increased by 23% from Ksh. 646 million to Ksh.792 million whilst Earnings Before Interest, Tax, depreciation and Amortization (EBITDA) increased by 32% from Ksh. 1.25 billion to Ksh. 1.6 billion. This reflects significant improvement in operating margins. Earnings Per Share (EPS) increased from Ksh. 6.52 in 2009 to Ksh. 8.00 per share in 2010. This growth reflects a cumulative average growth rate of 31% over the last 5 years.

Total Group assets increased from Ksh. 12.1 billion in 2009 to Ksh. 16.5 billion in 2010. During the year, Group debt increased by Ksh. 3.5 billion to a total debt of Ksh. 8.7 billion. Investments of Ksh. 2.0 billion in new clinker and cement capacity were made in Kenya during the year, taking total investment for completed capacity to Ksh. 3.6 billion. Further investments of Ksh. 1.6 billion were made during the year in the ongoing construction of new clinker and cement plants in Tanzania.

Necessary funds for completing Tanzanian Projects were raised in 2010 to ensure timely execution of the projects. Dar es Salaam cement Grinding Plant with a capacity of 750,000 tons per year is expected to be commissioned in December this year whilst the 1.5 million tons per year clinker and cement integrated plant at Tanga is expected to be commissioned in mid 2012.

OUTLOOK

The Group's main focus of growth is the cement sector. During 2010, the company's clinker capacity has doubled whilst total cement grinding capacity increased from 360,000 tons per year to 1 million tons per year. The company expects to increase cement sales significantly in 2011 based on its own locally manufactured clinker. Whilst competition is increasing in this sector, the company believes demand for cement will continue to grow at around 10% per year throughout East Africa. In the meanwhile, cost efficient local production will enable the company to maintain its market share and grow regionally. The company has noted the rising fuel and energy costs and current volatility in the exchange rates. These pressures on margins vindicate the Group's strategy of installing integrated capacity and not being reliant on imported clinker

DIVIDEND

The Board of Directors recommends a first and final dividend of Ksh. 1.75 Per Share for the year 2010, subject to approval by the shareholders at the Annual General Meeting.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at Laico Regency Hotel ,Ball Room, Nairobi on June 14, 2011 at 11.30 AM.

Subject to approval by the shareholders at the Annual General Meeting, the dividend will be paid on or about July 29, 2011 to the members on the register of members at the close of business on May 25, 2011. Accordingly, the register of members will remain closed on May 26 and May 27, 2011.

By Order of the Board

R. R. Vora
Company Secretary

March 15, 2011