



# TPS EASTERN AFRICA LIMITED

## AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2010

The Board of Directors of TPS Eastern Africa Limited is pleased to announce the audited results and financial statements for the year ended 31<sup>st</sup> December 2010.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME:

	2010 Kshs 000s	2009 Kshs 000s
Sales	4,462,614	3,889,365
Earnings before exchange loss, interest, depreciation and taxation	1,108,018	858,906
Exchange loss on foreign currency loans	(22,290)	(5,557)
Interest	(136,266)	(118,735)
Depreciation	(257,617)	(214,638)
Share of results of associate	1,088	(287)
<b>Profit before income tax</b>	<b>692,933</b>	<b>519,689</b>
Current income tax	(108,366)	(73,724)
Deferred income tax	(68,183)	(65,603)
<b>Profit after tax</b>	<b>516,384</b>	<b>380,362</b>
Other Comprehensive Income	1,761,412	65,121
<b>Total Comprehensive Income for the Year</b>	<b>2,277,796</b>	<b>445,483</b>
<b>Profit Attributable to:</b>		
Equity shareholders	531,053	380,362
Non controlling interest	(14,669)	-
	<b>516,384</b>	<b>380,362</b>
<b>Earnings per share (Kshs)</b>		
- basic & diluted	4.39	3.59
<b>Weighted average number of shares (000s)</b>	<b>120,947</b>	<b>105,865</b>

### CONDENSED STATEMENT OF FINANCIAL POSITION:

	2010 Shs'000	2009 Shs'000
<b>CAPITAL EMPLOYED</b>		
Shareholders' funds	7,496,387	4,088,583
Non-current liabilities	2,768,787	1,943,771
	<b>10,265,174</b>	<b>6,032,354</b>
<b>REPRESENTED BY</b>		
Non-current assets	9,587,155	5,498,108
Net current assets	678,019	534,246
	<b>10,265,174</b>	<b>6,032,354</b>

**STATEMENT IN CHANGES OF EQUITY:**

	Share Capital Shs'000	Share premium Shs'000	Revaluation reserves Shs'000	Translation reserves Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Total Shs'000
<b>Year ended 31 December 2009</b>							
At start of year	105,865	1,906,676	678,816	(171,905)	1,099,142	132,331	3,750,925
Prior year adjustment	-	-	25,767	-	(1,261)	-	24,506
As restated	105,865	1,906,676	704,583	(171,905)	1,097,881	132,331	3,775,431
Net (losses)/gains recognised directly in equity	-	-	(17,112)	-	17,112	-	-
Net profit	-	-	-	-	380,362	-	380,362
Total other comprehensive income	-	-	-	56,910	8,211	-	65,121
Total comprehensive income for the year	-	-	-	56,910	388,573	-	445,483
Dividends:							
- final for 2009 paid	-	-	-	-	-	(132,331)	(132,331)
- proposed for 2010	-	-	-	-	(132,331)	132,331	-
At end of year	105,865	1,906,676	687,471	(114,995)	1,371,235	132,331	4,088,583

	Share Capital Shs'000	Share premium Shs'000	Revaluation reserves Shs'000	Translation reserves Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Non controlling interest Shs'000	Total Shs'000
<b>Year ended 31 December 2010</b>								
At start of year	105,865	1,906,676	661,704	(114,995)	1,372,809	132,331	-	4,064,390
Prior year adjustment	-	-	25,767	-	(1,574)	-	-	24,193
As restated	105,865	1,906,676	687,471	(114,995)	1,371,235	132,331	-	4,088,583
Net (losses)/gains recognised directly in equity	-	-	(18,399)	-	18,399	-	-	-
Net profit	-	-	-	-	531,053	-	(14,669)	516,384
Total other comprehensive income	-	-	1,804,299	(42,888)	-	-	-	1,761,411
Total comprehensive income for the year	-	-	1,785,901	(42,888)	549,452	-	(14,669)	2,277,796
<b>Transactions with owners</b>								
On acquisition of subsidiary	-	-	-	-	-	-	111,882	111,882
Bonus issue of shares	17,644	-	-	-	(17,644)	-	-	-
Rights issue of shares	24,702	1,125,755	-	-	-	-	-	1,150,457
Dividends:								
- final for 2010 paid	-	-	-	-	-	(132,331)	-	(132,331)
- proposed for 2011	-	-	-	-	(185,264)	185,264	-	-
At end of year	148,211	3,032,431	2,473,372	(157,883)	1,717,779	185,264	97,213	7,496,387

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**CONDENSED CASHFLOW STATEMENT:**

	<b>2010</b>	<b>2009</b>
	<b>Shs'000</b>	<b>Shs'000</b>
Net cash generated from operating activities	1,249,879	467,110
Net cash used in investing activities	(2,254,528)	(547,142)
Net cash generated from financing activities	1,154,796	83,423
<b>Increase in cash and cash equivalents</b>	<u>150,147</u>	<u>3,391</u>
<b>Movement in cash and cash equivalents</b>		
At start of period	49,197	45,806
Increase in cash	150,147	3,391
At end of period	<u>199,344</u>	<u>49,197</u>

**Commentary**

From the third quarter of 2010, the Tourism Sector in East Africa witnessed positive business trends and encouraging signs of recovery as growth within the source markets returned, albeit at a slower pace than expected. The upsurge in the traditional safari and beach holidays in 2010 was complemented by increased activity within the East African corporate sector and the domestic market segment.

During the year 2010, the Company continued to implement its successful business strategy and model, whilst monitoring the financial health of the Company to ensure that the Group continued to provide the highest standards of product and service whilst maintaining market share and competitive advantage.

TPS Eastern Africa for the year 2010 recorded a Turnover of KShs. 4.5 billion compared to KShs. 3.9 billion in the previous year, a growth of 14.7%, and a Profit Before Tax of KShs. 693 million compared to KShs. 520 million in the previous year, a growth of 33.3%. Within the overall context of a business environment that was challenging for the third consecutive year, the results achieved are commendable and are considered satisfactory; further enhancing the Company's financial fundamentals.

The business landscape in East Africa continues to suggest a degree of caution, with the Tourism Sector in East Africa having to compete effectively with global holiday/conference/function destinations. Economic conditions in East Africa are expected to remain volatile and whilst Management is unable to anticipate precisely the trends in the foreign exchange markets, weather patterns and international commodity prices, Management is cautiously optimistic and confident that notwithstanding the challenging business environment, the Group has the inherent strength and business resilience to continue to focus on its long-term growth prospects, thus maintaining its market share and its leading position in the industry.

The Group continued to implement appropriate Information Communications & Technology initiatives, Human Resources Management practices and Corporate Social Responsibility activities that complement its long-term business strategies, just as it continues to pursue new business opportunities in line with its diversification policy and strategy.

The Group continues to be a significant contributor to the revenues of the Governments of Kenya, Tanzania and Zanzibar and paid, in aggregate, the equivalent of KShs. 912 million (2009: KShs. 720 million) in direct and indirect taxes and equivalent of KShs. 180 million (2009: KShs. 146 million) to local authorities in royalty/land rent payments in the various jurisdictions during 2010.

**Dividend**

The Directors are recommending for approval, at the forthcoming Annual General Meeting, payment of a final dividend for 2010 of KShs 1.25 per share, subject to payment of withholding tax, where applicable. The dividend will be payable on or about June 20, 2011 to members on the Register at the close of business on May 31, 2011. Shareholders will appreciate that while the value of dividend per share in absolute terms is at the same level as the previous year, the dividend is based on the increased shares issued by the Company following the Rights Issue and the Bonus Issue, during the year 2010.

**Annual General Meeting**

Notice is hereby given that the Annual General Meeting of the Company will be held on May 31, 2011 at 11.00 a.m. at the Kenyatta International Conference Centre, Nairobi.

**By Order of the Board**



**Dominic Ng'ang'a**  
**Company Secretary**

**March 23, 2011**  
**Nairobi**

The above financial results, statement in changes of equity and summary cashflow statement are an extract from the audited financial statements for the Group for the year ended 31 December 2010.