



TPS EASTERN AFRICA LIMITED

UNAUDITED CONSOLIDATED RESULTS FOR THE HALF-YEAR ENDED 30th JUNE 2011

The Board of Directors of TPS Eastern Africa Limited is pleased to announce the unaudited results and financial statements for the half-year ended 30th June 2011

CONSOLIDATED INCOME STATEMENT

	Six months to 30-Jun-11 Shs'000	Six months to 30-Jun-10 Shs'000	% increase over 2010
Sales	2,113,639	1,785,452	18.4
Profit before exchange loss, interest, depreciation and taxation	430,426	394,059	9.2
Exchange loss on foreign currency loans	(9,216)	(9,063)	
Interest	(42,412)	(57,461)	
Depreciation	(114,089)	(111,914)	
Profit before taxation	264,709	215,621	22.8
Income tax expense	(79,038)	(73,443)	
Profit after taxation	185,671	142,178	30.6
Attributable to:			
Equity holders of the Company	202,283	142,178	42.3
Minority Interest	(16,612)	-	
	185,671	142,178	30.6
Earnings per share for profit attributable to the equity holders of the Company			
- basic (Shs per share)	1.36	0.96	42.3
Weighted average number of shares (000s)	148,211	148,211	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months to 30-Jun-11 Shs'000	Six months to 30-Jun-10 Shs'000
Profit after taxation	185,671	142,178
Other comprehensive income: Items net of tax		
Movement in currency translation reserve	113,300	32,195
Total comprehensive income	298,971	174,373
Attributable to:		
Equity holders of the Company	315,583	174,373
Minority Interest	(16,612)	-
	298,971	174,373

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Shs'000	Share premium Shs'000	Revaluation reserves Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Translation Reserve Shs'000	Non controlling interest Shs'000	Total Shs'000
At 1st January 2010	105,865	1,906,676	687,471	1,371,235	132,331	(114,995)	-	4,088,583
Comprehensive income for the period								
Net profit	-	-	-	142,178	-	-	-	142,178
Other comprehensive income: Currency translation differences	-	-	-	-	-	32,195	-	32,195
Total other comprehensive income	-	-	-	-	-	32,195	-	32,195
Total comprehensive income for the period	-	-	-	142,178	-	32,195	-	174,373
Transaction with owners Dividends: - final for 2009 partly paid	-	-	-	-	(65,249)	-	-	(65,249)
At 30th June 2010	105,865	1,906,676	687,471	1,513,413	67,082	(82,800)	-	4,197,707
At 1st January 2011	148,211	3,032,431	2,473,370	1,717,779	185,264	(157,883)	97,213	7,496,385
Comprehensive income for the period								
Net profit	-	-	-	202,283	-	-	(16,612)	185,671
Other comprehensive income: Currency translation differences	-	-	-	-	-	113,300	-	113,300
Total other comprehensive income	-	-	-	-	-	113,300	-	113,300
Total comprehensive income for the period	-	-	-	202,283	-	113,300	(16,612)	298,971
Transaction with owners Dividends: - final for 2010 partly paid					(57,618)			(57,618)
At 30th June 2011	148,211	3,032,431	2,473,370	1,920,062	127,646	(44,583)	80,601	7,737,738

SUMMARISED CONSOLIDATED STATEMENT OF CASHFLOWS

	Six months to 30-Jun-11 Shs'000	Six months to 30-Jun-10 Shs'000
Net cash generated from operating activities	194,356	133,456
Net cash used in investing activities	(473,498)	(133,566)
Net cash from /(used in) financing activities	5,097	(24,123)
Decrease in cash and cash equivalents	(274,045)	(24,233)
Movement in cash and cash equivalents		
At start of period	990,996	249,197
Effects of exchange rate changes	1,255	2,494
Decrease in cash and cash equivalents	(274,045)	(24,233)
At end of period	718,206	227,458

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30-Jun-11 Shs'000	30-Jun-10 Shs'000
CAPITAL EMPLOYED		
Equity	7,737,738	4,173,514
Non-current liabilities	3,701,369	2,304,544
	11,439,107	6,478,058
REPRESENTED BY		
Non-current assets	10,212,618	5,540,703
Net current assets	1,226,489	937,355
	11,439,107	6,478,058

Commentary

The Tourism Sector in East Africa during the first half of year 2011 witnessed positive business trends within the leisure market segment which was complemented by increased activity within the East African corporate sector and the domestic market segment.

For the six month period, TPS Eastern Africa Limited recorded a Turnover of KShs. 2.1 billion compared to KShs. 1.8 billion in the previous year, a growth of 18.4%, and a Profit Before Tax of KShs. 264.7 million compared to KShs. 215.6 million in the previous year, a growth of 22.8%. The Company's results are considered satisfactory despite the challenging operating conditions as a result of the volatile economic environment in East Africa characterized by inflationary pressures associated with unpredictable energy costs. In addition to the significant increase in new developments within and outside the parks/reserves which has resulted in accommodation supply exceeding demand during the low and mid seasons.

The results for the first half of the year are not a basis of forecasting a full year's result due to the seasonal nature of the tourism industry in East Africa and the fact that the forecast business outlook for the peak season from July to October 2011 is at healthy levels. The Company continues to establish contacts in new markets in line with its business diversification strategy in order to compensate for the reduced business that can be expected from traditional source markets (Europe, United Kingdom, United States of America) due to the global financial environment.

The Group continued to carry out ICT initiatives, appropriate HR management practices and sound 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 Board and Management remain 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.

In line with the Company's policy, the Board of Directors does not recommend the declaration of an interim dividend.

By Order of the Board

D. Ng'ang'a
COMPANY SECRETARY
22nd August, 2011