



**ATHI RIVER MINING LTD**

**UNAUDITED GROUP RESULTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2008**

	UNAUDITED 30.06.08	UNAUDITED 30.06.07	% INCREASE
CONSOLIDATED INCOME STATEMENT	Ksh'000	Ksh'000	
Turnover	2,071,447	1,814,654	14%
Profit Before Tax	349,003	285,646	22%
Taxation	(121,392)	(100,223)	21%
Profit Attributable to Shareholders	227,612	185,424	23%
Annualised Earning Per Share (Ksh.)	4.60	3.99	15%
		UNAUDITED	AUDITED
CONSOLIDATED BALANCE SHEET AS AT		30.06.08	31.12.07
		Ksh'000	Ksh'000
<b>Capital and Reserves</b>			
Share Capital		495,275	495,275
Share Premium		302,027	302,027
Capital and Other Reserves		1,082,849	937,464
		<b>1,880,151</b>	<b>1,734,766</b>
Minority Interest		-	37,218
Total Equity		<b>1,880,151</b>	<b>1,771,984</b>
Non Current Liabilities		2,286,059	1,666,345
		<b>4,166,210</b>	<b>3,438,329</b>
<b>Assets</b>			
Non Current Assets		<b>3,511,872</b>	<b>3,321,696</b>
Working Capital:			
Current Assets		1,570,230	1,182,981
Current Liabilities		915,892	1,066,348
Net Working Capital		<b>654,338</b>	<b>116,633</b>
		<b>4,166,210</b>	<b>3,438,329</b>
CONSOLIDATED CASH FLOW FOR SIX MONTHS ENDED		30.06.08	30.06.07
		Ksh'000	Ksh'000
Cash Generated from Operations		533,617	432,223
Working Capital Changes		(537,705)	(290,407)
Net Interest		(79,414)	(79,746)
<b>Net Cash from Operating Activities</b>		<b>(83,502)</b>	<b>62,070</b>
Net Cash used in Investing Activities		(297,851)	(42,862)
Net Cash from Financing Activities		377,525	149,496
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(3,828)</b>	<b>168,704</b>
At start of the Period		8,536	(147,163)
		-	-
<b>At end of the Period</b>		<b>4,708</b>	<b>21,541</b>

## RESULTS

The Board of Directors are pleased to announce the unaudited half year results for the Group as at June 30, 2008.

Although there were major disruptions following the disputed results of the elections in the early part of the year, the Company took proactive measures to avert loss of business. There was, therefore, no impact on the performance of the Company. The results are as per budget.

Group turnover in the first half of 2008 increased by 14% over the corresponding period last year. Cement division sales remained at 51% of total sales, whilst the major growth occurred in the fertilizer and lime divisions. Net profit after tax increased by 23%, from Ksh 185 m to Ksh 228 m in the same 6 month period. Earnings per share, on an annualized basis, has therefore increased from Ksh 4.26 for 2007 to Ksh 4.60.

During the first half of this year, cash generated was Ksh. 534 m. Almost the entire amount was used in increasing working capital requirements. Of the Ksh. 378 m increase in net borrowings, Ksh. 100 m was invested in buying out the minority shareholders in ARM (Tanzania) Limited and Ksh. 298 m was used in ongoing capital expansion projects.

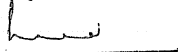
## OUTLOOK

Although the political situation in the country is now stable, we continue to face some major economic challenges. Production costs have risen due to rising fuel, power, and other input costs. These may be difficult to pass on to the consumer in the short term and, therefore, margins may be affected. However, due to ongoing improvements and operational efficiencies, the Company expects to achieve similar performance over the next six months. In the long term, the economic prospects remain positive, and the Company expects to benefit from the expansion of the cement capacity. The re-organization of the ARM divisions into wholly owned subsidiary companies will take effect on the 1<sup>st</sup> of January 2009, and is expected to enhance efficient allocation of capital and valuation of the Group in the future.

## DIVIDEND

The Board of Directors does not recommend an interim dividend for 2008.

By Order of the Board



**R. R. Vora**  
Company Secretary

**July 22, 2008**