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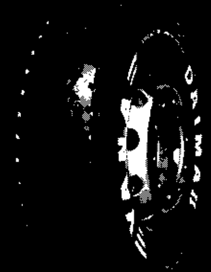
Yana Daima II 315/80 R 22.5
All position Radial truck tyre



Corporate information

BOARD OF DIRECTORS

Mr. N.N. Merali	Chairman
Mr. M. M. Karanja	Managing Director
Mr. P. M. Gitonga	
Mr. T. D. Owour	
Mr. S. Githiga	
Mr. A. H Butt	
Mr. I. A. Timamy	

AUDIT COMMITTEE

Mr. S. Githiga	Chairman
Mr. T. D. Owour	

REMUNERATION & NOMINATIONS COMMITTEE

Mr. N. N. Merali	Chairman
Mr. M. M. Karanja	
Mr. I. A. Timamy	

FINANCE COMMITTEE

Mr. A. H. Butt	Chairman
Mr. P. M. Gitonga	

AUDITORS
KPMG Kenya
Certified Public Accountants
16th Floor Lonrho House, Standard Street
P.O. Box 40612-00100, Nairobi

SHARE REGISTRARS
Custody Registrar Services
Bank House, Moi Avenue
P.O. Box 8484, Nairobi

PRINCIPAL BANKERS
National Industrial Credit Limited
NIC House, Masaba Road
P. O. Box 44599, 00100 Nairobi

Standard Chartered Bank of Kenya Limited
Stanbank House, Moi Avenue
P.O. Box 30003, Nairobi

SECRETARY & COMPANY REGISTERED OFFICE
Mr. I.A. Timamy
Sameer Africa Limited, Mombasa Road
L.R. NO: 12081
Mombasa Road, P. O. Box 30429, 00100 Nairobi

YANA
AFRICA RIDES ON YANA TYRES

BRIDGESTONE

YANA
TYRE CENTRE
All About Tyres

DUNLOP

HANKOOK

Notice to the annual general meeting

Notice is hereby given that the 41st Annual General Meeting of the members will be held at the Company's Premises off Mombasa Road, Nairobi on April 16th 2010 at 11.30 a.m. to conduct the following business:

1.To table the proxies and note the presence of a quorum

2. To read the notice convening the meeting

3. To confirm the minutes of the 40th Annual General Meeting held on 3rd April 2009

4. To receive, consider and if deemed fit, adopt the Financial Statements for the year ended 31st December, 2009 together with the reports thereon of the Directors and the Auditors.

5.To approve a first and final dividend of 10% equivalent to Kenya shillings 0.50 per share

6. To elect Directors under Article 94-
   Mr. T. D. Owuor and Mr. P. M. Gitonga, directors retiring by rotation who being eligible, offer themselves for re-election

7. To approve the Directors' emoluments

8. a) To confirm the appointment of KPMG Kenya as the auditors for the Company

   b) To reappoint KPMG as the auditors of the Company for the ensuing year and authorize the Directors to fix the auditors remuneration.

9. To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

Issa A. Timamy
Company Secretary
Nairobi

26th February 2010

Note:
A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote on his/her behalf and such a proxy need not be a member of the Company. The form of proxy is attached at the end of this report. To be valid, a form of proxy must be duly completed and signed by the member and must either be lodged at the offices of the Company's share registrars, Custody and Registrar Services Limited, 6th Floor Bruce House Standard Street, P. O. Box 8484, 00100 Nairobi or be posted to reach the share registrars not less than 24 hours before the time appointed for holding the meeting.

Ilani ya mkutano mkuu wa kila mwaka

Ilani inatolewa hapa kuwa Mkutano Mkuu wa kila Mwaka wa arobaini na moja (41) wa wanachama utafanyika katika majengo ya Kampuni kando ya barabara ya Mombasa, Nairobi, tarehe 16 Aprili mwaka 2010, saa tano na nusu asubuhi kuendesha shughuli zifuatazo:

Kuwasilisha kura za uwakilishi na kutambua kuwepo kwa idadi ya wanahisa wa kutosha.

Kusoma ilani ya kuitisha mkutano huu.

Kuthibitisha kumbukumbu za mkutano mkuu wa 40 wa kila mwaka uliofanyika tarehe 3, Aprili 2009.

Kupokea, kuchunguza na ikifikiriwa sawa kuidhinisha taarifa za fedha za mwaka uliomalizikia 31 Desemba 2009, pamoja na taarifa za Wakurugenzi na za Wahasibu.

Kuchagua Wakurugenzi:

Chini ya Kifungu cha Sheria nambari 94:-
Bw. T. D. Owuor na Bw. P. M. Gitonga, Wakurugenzi wanaostaafu kwa zamu, ambao kwa kuwa wanastahili, wanajitolea kuchaguliwa tena.

Kuidhinisha malipo ya Wakurugenzi.

Kuwateua KPMG kama wahasibu wa mwaka unaofuata na kuidhinisha Wakurugenzi kuamua malipo ya wahasibu.

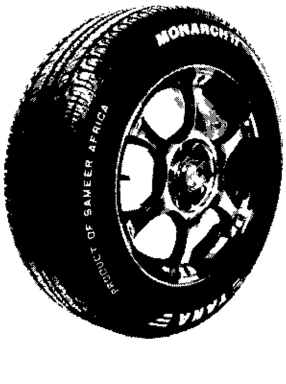
Kushughulikia jambo lingine lolote linaloweza kushughulikiwa katika Mkutano Mkuu wa kila Mwaka.

Kwa Amri ya Halmashauri

Issa A. Timamy
Katibu wa Kampuni
Nairobi
Februari 26, 2010.

Maelezo zaidi:
Mwanachama mwenye haki ya kuhudhuria na kupiga kura katika mkutano huu anaweza kuchagua wakala kuhudhuria na kupiga kura kwa niaba yake na wakala huyo si lazima awe mwanachama wa Kampuni.

Fomu ya wakala imeambatishwa mwisho wa repoti hii. Ili kuwa halali, fomu ya wakala lazima ijazwe kikamilifu na kutiwa sahihi na mwanachama na lazima ifikishwe katika afisi za wasajili wa hisa za Kampuni, Custody and Registrar Services Limited, gorofa ya 6, Barabara ya Standard, S.L.P. 8484, 00100 Nairobi au kutumwa kwa posta kuwafikia wasajili wa hisa kwa muda usiopungua masaa 24 kabla ya wakati uliochaguliwa kufanywa mkutano.



Yana Monarch II 195/65 R15

Chairman's Statement

In 2009, Kenya as a country faced a number of challenges arising from the effects of the global financial crisis and other local factors. These included reduced foreign remittances, drought and food shortages, cost of credit, increases in raw material prices, higher fuel oil and electricity costs and strong Japanese Yen that impacted on our business operations. Many manufacturing entities in the country and globally were affected to varying levels and impacts. However, the economy proved much more resilient despite the global upheavals.

In 2009, Kenya's GDP growth rate is estimated at around 3.2% which further limited opportunities for growth and levels of disposable income. There was however good progress in infrastructure development including the arrival of the fiber optic cable.

Tyre business spearheaded by Yana and Bridgestone brands remain the bedrock of our Company. Under the tough and competitive business environment, the total number of units sold remained at 2008 levels with the strong Yen having an impact on imported brands' market positioning and off-take.

Your company has taken measures and is implementing the requisite strategies to steer it towards realization of its Vision of being the leading tyre solution provider in Africa and play its rightful role in economic development in the Region. In order to supply tyres and related services to our customers and motoring community that give maximum safety and comfort in very demanding road and loading conditions found in Africa, we will continue designing and producing quality tyres conforming to highest international standards.

Our subsidiaries in Tanzania and Uganda registered marginal growth over 2008, while the Sameer Industrial Park and Sameer EPZ contributed positively towards the 2009 results

The Company has continued to pursue the diversification strategy with the construction of Sameer Business Park in order to tap into the immense opportunities the arrival of the fiber optic cable presents such as the establishment of Business Process Outsourcing (BPOs) which is a key sector within the Country's Vision 2030.

We are on course to complete construction of the Sameer Business Park by mid 2010 and we expect to have the premises fully let by end of the year. Apart from this development enhancing Kenya's attractiveness as a BPO hub and provision of modern offices and showrooms, this will provide to Sameer Africa Ltd and its joint investors on the project future streams of revenue.

Despite the challenges of year under review, the business posted revenue of Kshs 3.28 billion in 2009 up from Kshs. 3.02 billion in 2008 representing an increase of 8%.

Consequently, the Company posted profit before tax of Ksh. 221million up from Ksh 165 million in 2008 representing an increase of 33%.

The Board of Directors recommend payment of a first and final dividend at the rate of 50 cents per share for the year 2009

OUTLOOK FOR 2010

We are positioning ourselves to benefit from the projected economic growth in 2010 estimated at between 3% and 5% through improvement in our competitiveness in regional markets. It is our plan to build on gains of 2009 to further spur growth in 2010.

We will focus on increasing our market share in Kenya and expanding in our export markets.

On strategic front, we value our continued partnership with Bridgestone Japan both as one of our shareholders and as their distributor in East Africa for their world famous Bridgestone tires.

We are optimistic that the diversification strategy involving the Sameer Business Park will enhance our future revenue streams.

I would like to express my sincere gratitude to you our Shareholders, our business partners and our all esteemed customers for the continued support. I appreciate the dedicated contribution of my Members of the Board, Management and Staff towards our company's, achievements in 2009 despite harsh economic environment.

We all look forward to a better year in 2010.

Naushad N. Merali, CBS
Chairman Sameer Africa Limited

Taarifa Ya Mwenyekiti

Katika mwaka 2009, Kenya kama nchi ilikabiliwa na changamoto kutokana na athari za hali ya wasiwasi mkubwa wa kifedha na hali nyingine za nchini. Hizi ni pamoja na kupungua kwa fedha za kigeni zinazotumwa, ukame na upungufu wa chakula, gharama za mikopo, ongezeko katika bei za malighafi, gharama za juu zaidi za mafuta na umeme na yeni ya Kijapani yenye nguvu iliyoathiri shughuli zetu za biashara. Biashara nyingi za utengenezaji nchini na ulimwenguni ziliathirika kwa viwango tofauti na taathira. Ijapokuwa, uchumi ulijithibitisha kuwa imara zaidi dhidi ya mabadiliko makubwa ya kiulimwengu.

Katika 2009, kiwango cha ukuaji wa jumla wa pato la taifa kimekadiriwa kuwa kama asilimia 3 ambacho zaidi kilizuia nafasi za kukua na za viwango vya mapato ya utumiaji. Ijapokuwa kulikuwa na maendeleo mazuri katika uendelezi wa miundomsingi pamoja na kuasili kwa kebo ya kupitishia mawasiliano.

Biashara ya magurudumu inayoongozwa na aina ya Yana na Bridgestone ndiyo msingi wa Kampuni yetu. Katika mazingira magumu na ya ushindani ya biashara, jumla ya idadi ya bidhaa zilizouzwa ilibaki katika viwango vya mwaka 2008 hali yeni thabiti ikiwa na athari kwenye nafasi ya soko la aina ya magurudumu yaliyoingizwa kutoka nchi za nje na kilichopatikana.

Kampuni yenu imechukua hatua na inatekeleza mikakati inayohitajika kuiongoza kufikia mwono wake wa kuwa mtoaji wa suluhisho la magurudumu anayeongoza Afrika na kutekeleza jukumu lake halisi katika maendeleo ya kiuchumi katika eneo. Ili kutoa magurudumu na huduma zinazohusiana kwa wateja wetu na jamii ya waendeshaji magari yanayotoa usalama wa hali ya juu kabisa na starehe katika hali ngumu za barabara na za kupakia zipatikanazo Afrika, tutaendelea kuunda na kutengeneza magurudumu ya ubora wa hali ya juu yakilingana na viwango vya juu kabisa vya kimataifa.

Kampuni zetu tanzu nchini Tanzania na Uganda zilipata ukuaji mdogo katika mwaka 2008, hali Sameer Idustrial Park na Sameer EPZ zilichangia vizuri katika matokeo ya 2009.

Sameer Africa Limited imeendelea kuendeleza mkakati wa upanuzi wa biashara kwa kujenga Sameer Business Park ili kufaidika na nafasi nyingi sana zinazotokea na kuasili kwa kebo ya kupitishia mawasiliano kama vile kuanzishwa kwa kutafuta biashara kubwa ambayo ni sekta muhimu katika mwono wa mwaka 2030 wa nchi.

Tutakamilisha ujenzi wa Sameer Business Park kwa wakati wake kufikia katikati ya mwaka 2010 na tunataraji kuyakodisha majengo hayo yote kufikia mwisho wa mwaka. Mbali na ustawisho huu kuimarisha uvutiaji wa Kenya kama kituo cha biashara kubwa na utoaji wa afisi za kisasa na vyumba vya maonyesho ya biashara, hili litailetea Sameer Africa Limited na waekezaji wake washiriki wa mradi huu mfululizo wa mapato ya usoni.

Dhidi ya changamoto za mwaka unaopitiwa, biashara ilipata mapato ya Kshs bilioni 3.28 katika mwaka 2009 kutoka Kshs bilioni 3.02 katika mwaka 2008 ikiwakilisha ongezeko la asilimia 8.

Jumla ya hayo, Kampuni ilipata faida kabla ya ushuru ya Kenya shilingi milioni 221 ilioongezeka kutoka Kshs milioni 165 katika mwaka 2008,ikiwakilisha ongezeko la asilimia 33.

Halmashauri ya Wakurugenzi inapendekeza malipo ya mgao wa faida ya kiwango cha senti 50 kwa kila hisa ya mwaka 2009.

MTAZAMO WA 2010

Tunajitayarisha kufaidika kutokana na ukuaji wa kiuchumi unaotarajiwa katika mwaka 2010 uliokadiriwa kuwa baina ya asilimia 3 na asilimia 5 na kwa kuimarisha ushindani wetu katika masoko ya maeneo. Ni mpango wetu kujengea kwenye faida za mwaka 2009 kuzidisha ukuaji katika mwaka 2010.

Tutalenga kuongeza hisa yetu ya soko nchini Kenya na kupanuka katika masoko yetu ya biashara inje. Kwa upande wa mkakati, tunathamini ushirika wetu unaoendelea na Bridgestone Japan wakiwa kama mmoja wa wanahisa wetu na kama mgawanyaji wao Afrika Mashariki wa magurudumu yao ya Bridgestone yanayosifika ulimwengu mzima. Tuna matarajio mema kuwa mkakati wa upanuzi wa biashara unaohusisha Sameer Business Park utaongezea mfululizo wetu wa mapato ya usoni.

Ningependa kutoa shukrani zangu za dhati kwenu nyinyi wanahisa wetu, washirika wetu wa kibiashara na wateja wetu wote watukufu kwa usaidizi unaoendelea. Ninathamini mchango wa kujitolea wa Wanachama wangu wa Halmashauri, Usimamizi na Wafanyikazi kufuatia mafanikio ya Kampuni yetu katika mwaka 2009 dhidi ya mazingira magumu ya kiuchumi.
Sisi sote tunatazamia kwa imani mwaka mzuri zaidi wa 2010.

Naushad N. Merali, CBS
Mwenyekiti
Sameer Africa Limited

Managing Director's Statement

In 2009, Kenya experienced slow economic growth estimated at 3.2 % with manufacturing sector growth at well below the national average.

With the global collapse of new vehicles growth, the tyre manufacturers found themselves sitting on high idle capacity. Many choose to find new markets for replacement at discounted prices. This made the trading environment challenging and competitive both for locally manufactured and imported tyres. During the year, one of our major trading partner country Japan witnessed a growing and strong Yen that made our imports more expensive than 2008.

In 2009, among our key objective was to secure sustainability and future growth of the business. Among the strategies we implemented were:

- Margin protection, export market penetration and growth.
- Consumer understanding and Brand building.
- Strengthening Strategic relationships with trading partners.
- Improved distribution and presence.
- Cost and Cash Management.
- Supply Chain Improvement and inventory management.
- Factory Operations improvement, modernization and upgrade for productivity and efficiency.
- Product Innovation and quality improvement programmes.
- Best practices in Human Talent management.

The following are the key highlights from our various functions:

MARKETING

In 2009, we strengthened our Yana Brand equity through brand building activities aimed at creating brand awareness and value proposition through an integrated brand communication program.

New product development and brand extension continued to be the cornerstone of our future based on better understanding of market trends and dynamics. In 2009, we put in our development agenda, a number of initiatives and we are glad to note the new products introduced in the last two years had an overall contribution of over 20% to our Kenyan volume sales in 2009.

We shall seek to understand the market better through market research in order to maximize on the opportunities and gaps in the market.

PLANNING, PROCUREMENT AND LOGISTICS

Marked improvement in planning and tighter realignment of supply to market demand resulted in consistent availability of raw materials for production, adequate finished goods and stocks at branches country-wide and in the region.
Focused inventory management had a positive impact on cash flow.
In 2010, we will continue to focus on improving our supply chain, developing and strengthening alliances with suppliers and service providers.

MANUFACTURING

In 2009 we invested in some key equipment and tooling used in the in the manufacture of a wide range of tyres aimed at improving quality and productivity.

Increased cost of electricity and fuel oil was a challenge but we undertook measures that reduced the energy consumption per ton of tyres by about 10%. Improvement of about 12% in person-hours per ton was realized. These measures enabled us to offer our products at competitive prices.

Our production processes were reconfirmed as meeting the stringent quality and environmental requirements for ISO certification.

SALES & DISTRIBUTION

The Company initiated a wide range of sales programs to maximize on market opportunities and engage our dealers pro-actively. Export markets recorded good performance and we will continue consolidating our presence in existing markets and take opportunities in other emerging markets.

We invested in a number of training and development programs of our customers and this is planned to be expanded in 2010.

HUMAN RESOURCES

We shall continuously up skill all our work force in order to empower them to meet emerging market and business demands and expectations. This realignment of Human Resources to meet our business objectives will be critical in 2010.

ICT

Use of ICT to enhance and support business operations and processes continue to be imperative in modern competitive business environment. Key investments are being undertaken and currently implementing SAP ERP system in the Company.

YANA TYRE CENTRES

In 2009, we enhanced our program of positioning the Yana Tyre Centres as centres of excellence in tyre care. In order to reach more consumers we opened two new Yana Tyre Centers in Kisumu and Eldoret to add onto the existing five.

SAMEER AFRICA TANZANIA LIMITED

Tanzania witnessed good progress and it continues to offer good opportunities for growth. A new Tyre Centre is planned for Dar-es- Salaam in 2010.

Managing Director's Statement

SAMEER AFRICA UGANDA LIMITED

Uganda pulled up a marked improvement of 107% in value and 23% in volume growth over 2008. This momentum is planned to be sustained in 2010.

A new Tyre Centre is also planned for Kampala in 2010.

SAMEER INDUSTRIAL PARK AND SAMEER EPZ LIMITED

These two subsidiary companies provided facilities for manufacturing and other activities geared towards the promotion of exports. The Companies have continued to be preferred by companies seeking a spacious and secure business environment.

In 2009, we recorded 100% occupancy for both Sameer Industrial Park and EPZ.

CORPORATE SOCIAL RESPONSIBILITY

Sameer Africa continued with its support to various corporate social responsibility programmes that have an overall impact on road safety. These included teaming up with Kenya Red Cross to educating the public on tyre safety in the Road Safety week aimed at reducing road carnage on our roads.

In conservation efforts, Sameer Africa is committed to environmental conservation through tree planting efforts by our staff and participation in the Aberdare fencing project through the Rhino Charge and Rhino Ark Trust Foundation.

We continue to engage on HIV awareness and support programmes among staff, their families and informal settlement in the neighbourhood.

I would like to thank the Board of Directors for their support, our customers, business partners and the team at Sameer Africa Limited for your invaluable contribution. I am looking forward for your continued support as we endeavor to make 2010 an even better year.

Michael M.Karanja
Managing Director
Sameer Africa Limited

Ripoti ya Mkurugenzi Mkuu

Katika mwaka 2009, Kenya ilikuwa na ukuaji wa polepole wa kiuchumi uliokadiriwa kuwa asilimia 3.2 hali ukuaji wa sekta ya utengenezaji ukiwa chini ya kiwango cha wastani wa kitaifa.

Kukiwa na kuanguka kwa ukuaji wa kilimwengu wa magari mapya, watengenezaji wa magurudumu walijipata wana wakati mwingi wa kutokuwa na kazi. Wengi walichagua kutafuta masoko mapya badala ya zamani kwa bei zilizopunguzwa. Hili lilifanya mazingira ya biashara kuwa ya changamoto na ushindani kwa yote magurudumu yatengenezwayo nchini na yaingizwayo kutoka nje. Katika mwaka, Japan, nchi moja mshirika wetu mkuu ilishuhudia Yenu inayokua na imara iliyofanya bidhaa zetu kutoka nje kuwa ghali zaidi kuliko mwaka 2008.

Miongoni mwa malengo yetu muhimu katika mwaka 2009, ilikuwa ni kupata uendelezi na ukuaji wa biashara wa siku za usoni. Miongoni mwa mikakati tuliotekeleza ni:

- Ulindaji wa faida, upenyaji katika soko la biashara inje na ukuaji.
- Uelewaji wa watumizi na ujenzi wa aina za magurudumu.
- Uimarishaji wa mahusiano ya kimkakati na washiriki wa kibiashara.
- Ugawanyaji ulioongezeka na kuonekana.
- Usimamizi wa gharama na fedha.
- Uimarishaji wa mfululizo wa ugavi na usimamizi wa hesabu.
- Uimarishaji wa shughuli za kiwanda, kufanya kuwa ya kisasa na kui nua viwango vya uzalishaji na utendaji bora.
- Mipango ya uvumbuzi wa bidhaa na uimarishaji bora.
- Desturi nzuri zaidi katika usimamizi wa vipawa vya binadamu.

Yafuatayo ni mambo muhimu ya shughuli zetu mbalimbali:

MFUMO WA WAUZAJI NA WANUNUZI

Katika mwaka 2009, tuliimarisha hisa zetu zisizo na riba ya kudumu za aina ya Yana kupitia shughuli za kuimarisha aina za magurudumu zilizolenga katika kutambulisha aina na suala la thamani kupitia mpango wa kuunganisha mawasiliano ya aina za magurudumu.

Uendelezi wa bidhaa mpya na upanuzi wa aina za magurudumu uliendelea kuwa mhimili wa siku zetu za usoni ukiegemezwa kwenye ufahamu mzuri wa mielekeo na nguvu za soko. Katika mwaka 2009, tuliweka katika ajenda ya maendeleo yetu juhudi kadhaa na tunafuraha kufahamisha kuwa zile bidhaa mpya zilizoanzishwa katika miaka miwili iliopita zilikuwa na mchango wa jumla wa zaidi ya asilimia 20 kwa viwango vyetu vya mauzo ya Kenya katika mwaka 2009.

Tutajaribu kulielewa soko vizuri zaidi kupitia utafiti wa soko ili kufaidika zaidi kutokana na fursa na mapengo katika soko.

UPANGAJI, UKUWADI NA UTARATIBU

Maendeleo ya kuonekana katika upangaji na upangaji upya uliounganishwa vizuri wa ugavi kwa mahitaji ya soko yalisababisha uwepo wa kuendelea wa malighafi ya uzalishaji na bidhaa za kutosha zilizo tayari katika matawi nchini kote na katika eneo. Usimamizi wa hesabu ulioelekezwa ulikuwa na athari nzuri katika mapato halisi.

Katika mwaka 2010 tutaendelea kulenga katika kuimarisha mfululizo wa ugavi, kuendeleza na kuimarisha ushirikiano na wagavi na watoaji wa huduma.

UTENGENEZAJI

Katika mwaka 2009 tuliekeza katika baadhi ya vifaa muhimu na zana zinazotumiwa katika utengenezaji wa aina nyingi za magurudumu ikilengwa kuimarisha ubora na uzalishaji.

Gharama zilizoongezeka za umeme na mafuta zilikuwa changamoto lakini tulichukua hatua zilizopunguza utumizi wa nishati kwa tani moja ya magurudumu kwa kama asilimia 10. Uimarishaji wa kama asilimia 12 wa masaa ya watu kwa tani ulifikiwa. Hatua hizi zilituwezesha kuuza bidhaa zetu kwa bei za ushindani.

Njia zetu za uzalishaji zilithibitishwa kama zinatosheleza mahitaji magumu ya ubora na mazingira ya uthibitishaji wa ISO.

MAUZO NA UGAWAJI

Kampuni ilianzisha mipango mipana ya mauzo kufaidika na fursa za soko na kujishughulisha na wauzaji wetu walio watendaji Masoko ya biasharanje yalirekodi utendaji mzuri na tutaendelea kuimarisha kuwepo kwetu katika masoko yaliopo na kuchukua fursa katika masoko mengine yanayojitokeza.

Tuliekeza katika mipango kadhaa ya mafunzo na maendeleo ya wateja wetu na hili limepangwa kupanuliwa katika mwaka 2010.

WAFANYIKAZI

Tutaendelea kuwaongezea ufundi wafanyikazi wetu wote ili kuwawezesha kukabiliana na mahitaji yanayojitokeza ya soko na biashara na matarajio. Upangaji huu upya wa wafanyikazi kutimiza malengo yetu ya kibiashara utakuwa muhimu katika mwaka 2010.

TEKNOLOJIA YA HABARI NA MAWASILIANO

Utumizi wa teknolojia ya habari na mawasiliano kuimarisha na kusaidia njia na shughuli za biashara unaendelea kuwa muhimu katika mazingira ya kisasa ya biashara ya ushindani. Uekezaji muhimu unafanywa na sasa tunatekeleza mifumo ya SAP ERP katika Kampuni.

VITUO VYA MAGURUDUMU YA YANA

Katika mwaka 2009, tuliimarisha mpango wetu wa kuvifanya vituo vya magurudumu ya Yana kama vituo vya ubora katika utunzaji wa magurudumu. Ili kufikia wateja zaidi, tulifungua vituo viwili zaidi vya magurudumu ya Yana Kisumu na Eldoret kuongezea kwenye vile vitano vilivyopo.

SAMEER AFRICA TANZANIA LIMITED

Tanzania ilishuhudia maendeleo mazuri na inaendelea kutoa nafasi nzuri za ukuaji. Kituo kipya cha magurudumu kimepangiwa Dar-es-salaam katika mwaka 2010.

SAMEER AFRICA UGANDA LIMITED

Uganda ilipata ongezeko la kuonekana la asilimia 107 katika thamani na asilimia 23 katika wingi wa ukuaji kushinda 2008. Hii ni kasi inayopangiwa kuendelezwa katika mwaka 2010. Kituo kipya cha magurudumu pia kimepangiwa Kampala katika 2010.

Ripoti ya Mkurugenzi Mkuu

SAMEER INDUSTRIAL PARK AND SAMEER EPZ LIMITED
Kampuni hizi mbili tanzu zilitoa nafasi za utengenezaji na shughuli nyingine zinazoelekezwa kwenye kukuza biashara inje. Kampuni zimeendelea kupendelewa na Kampuni zinazotefuta mazingira ya kibiashara yenye nafasi na ya usalama.

Katika mwaka 2009, tulirekodi asilimia 100 ya upangaji ya zote Sameer Industrial Park na EPZ.

WAJIBU WA KIJAMII WA SHIRIKA
Sameer Africa iliendelea na usaidizi wake wa mipango tofauti ya wajibu wa kijamii wa shirika iliyo na jumla ya athari kwenye usalama barabarani. Hii ni pamoja na kuungana na Shirika la Msalaba Mwekundu la Kenya kuelimisha umma kuhusu usalama wa magurudumu katika wiki ya usalama barabarani, inayolenga kupunguza mauaji katika barabara zetu.

Katika juhudi za uhifadhi, Sameer Africa imejitolea katika uhifadhi wa mazingira kupitia juhudi za wafanyikazi wetu za upandaji miti na kushiriki katika mradi wa kujengea ua Aberdare kupitia Rhino Charge na Rhino Ark Trust Foundation.

Tunaendelea kushiriki katika mipango ya kufahamisha kuhusu virusi vya UKIMWI na usaidizi miongoni mwa wafanyikazi, familia zao na makazi yasiyo rasmi jirani kwetu.

Michael M. Karanja
Mkurugenzi Mkuu
Sameer Africa Limited

Wafanyi kazi wa Sameer Africa wakipanda miti kwenye mtaa wa Mukuru Kayaba, Nairobi

Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended 31st December 2009, which disclose the state of affairs of the Group and the Company.

COUNTRY OF INCORPORATION
The Company is incorporated in Kenya under the Companies Act and is domiciled in Kenya.

PRINCIPAL ACTIVITIES
The principal activities of the Group remain the manufacture, importation and sale of tyres and tubes, and letting of premises in Export Processing Zones.

RESULTS AND DIVIDEND
The net profit for the year of Kshs 158 million has been added to retained earnings.

During the year a first and final dividend of 10% or Kenya shillings 0.50 per share payable on 14th May 2010.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
The Group's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

The Directors propose a first and final dividend of 10% equivalent to Kenya Shillings 0.50 per share, payable on the 14th May 2010. The closure of the register will be on April 16th 2010.

DIRECTORS
Directors who held office during the year and to the date of this report were:

Mr. N.N. Merali	Chairman
Mr. M. M. Karanja	Managing Director
Mr. S.M. Githiga	
Mr. T.D. Dwuor	
Mr. P. M. Gitonga	
Mr. I. A. Timamy	
Mr. A. H. Butt	

In accordance with Article 94 of the Articles of Association, Mr. T. D. Owuor and Mr. P. M. Gitonga retire by rotation and being eligible, offer themselves for re-election.

AUDITORS
The Company's auditors, KPMG continue in office in accordance with Section 159(2) of the Companies Act.

By Order of the Board

Issa Timamy
Company Secretary

26th February 2010

Yana Stallion 215/70 R16

Ripoti ya wakurugenzi

RIPOTI YA WAKURUGENZI
Wakurugenzi wanawasilisha ripoti yao pamoja na taarifa za kifedha zilizokaguliwa za mwaka ulioishia tarehe 31 Desemba 2009, ambazo zinaarifu hali ya shughuli za Kundi na Kampuni.

NCHI ILIKOANDIKISHWA
Kampuni imeandikishwa nchini Kenya chini ya Sheria za Makampuni na ina maskani Kenya.

SHUGHULI KUU ZA KAMPUNI
Shughuli kuu za Kundi zinabakia utengenezaji, uingizaji kutoka nje na uuzaji wa magurudumu na ukodishaji wa majengo katika eneo la Utengenezaji Bidhaa Nje.

MATOKEO NA FAIDA
Faida ya jumla ya mwaka ya Kshs. milioni 158 imeongezwa kwenye mapato yaliobakishwa.

Wakurugenzi wanapendekeza gawio la mwanzo na la mwisho la faida la asilimia 10 sawa na Kshs. 0.50 kwa kila hisa litakalolipwa tarehe 14 Mei 2010.

MALENGO NA SERA ZA USIMAMIZI WA HATARI YA KIFEDHA
Shughuli za Kundi zinaiacha Kampuni wazi kwa hatari tofauti za kifedha, pamoja na hatari za mkopo na athari za mabadiliko katika deni la bei za soko, viwango vya ubadilishaji wa fedha za kigeni na viwango vya riba. Mpango wa jumla wa Kundi wa usimamizi wa hatari unalenga kwenye kutotabirika kwa masoko ya kifedha na unajaribu kupunguza athari mbaya zinazoweza kutokea kwenye utendaji wake wa kifedha.

Kundi limeunda sera za kuhakikisha kuwa mauzo yanauzwa kwa wateja wenye historia ya mkopo ifaayo.

WAKURUGENZI
Wakurugenzi walioshikilia afisi katika mwaka na mpaka tarehe ya ripoti hii walikuwa:

Bw. N. N. Merali	(Mwenyekiti)
Bw. M. M. Karanja	(Mkurugenzi Msimamizi)
Bw. S. M. Githiga	
Bw. T. D. Owuor	
Bw. P. Gitonga	
Bw. I. A. Timamy	
Bw. A. H. Butt	

Kulingana na kifungu cha 94 cha Masharti na Kanuni za Kampuni, Bw. T. D. Owuor na Bw. P. Gitonga wanastaafu kwa zamu na, kwa kuwa wanastahili, wanajitolea kuchaguliwa tena.

WAHASIBU
Wahasibu wa Kampuni, KPMG wanaendelea kuwa wahasibu kuambatana na Sehemu 159 (2) ya Sheria za Makampuni.

Kwa Amri ya Halmashauri

Issa Timamy
Katibu wa Kampuni

26 Februari 2010.

Summit 7.50-16

YANA

AFRICA RIDES ON YANA TYRES

Board of Directors

Seated from left:
Mr. N.N. Merali-Chairman
Mr. M. M. Karanja-Managing Director
Mr. S.M. Githiga-Director

Standing from left:
Mr. I. A. Timamy-Director
Mr. A. H. Butt-Director
Mr. P. M. Gitonga-Director
Mr. T.D. Owuor-Director

Corporate Governance

Sameer Africa Limited is committed to the standards of Corporate Governance set by the Capital Markets Authority. The Board of Directors is responsible for the long-term growth and profitability of the Company, whilst being accountable to the shareholders for compliance with the law and maintaining the highest standards of corporate governance and business ethics.

THE BOARD OF DIRECTORS

The Board is made up of a substantial majority of independent, non-executive Directors, including the Chairman. The Directors are given appropriate and timely information so that they can maintain full and effective control over all strategic, financial, operational and compliance issues.

Whilst the day to day running of the business of the company is delegated to the Managing Director, the Board is responsible for establishing and maintaining the Company's system of internal controls so that its objectives for increased growth in the profitability and shareholder value are realized.

BOARD MEETINGS

The Board of Directors meets every quarter in order to monitor the Company's planned strategy and review it in conjunction with its financial performance. Specific reviews are also undertaken of management performance, operational issues and future planning.

BOARD COMMITTEES

There are three principle Committees all of which are guided by clear terms of reference. The Committees are instrumental in monitoring Company operations, systems and internal controls.

The Committees are as follows:

Audit Committee

The members of this Committee are all non-executive Directors and professionals who are independent of the day to day management of the company's operations. The Committee meets four times in a year and the General Manager Finance, the Internal Auditor and the External Auditors attend most meetings of the Committee. The Committee deals with the review of interim and annual financial statements to ensure compliance with Accounting Standards, the review of Company's system of accounting and internal controls, liaising with External Auditors and defining the scope and responsibilities of the Internal Auditors.

Finance Committee

The Committee comprises two non-executive Directors. The Managing Director and the General Manager Finance attend all meeting of this Committee. The Committee is chaired by a non-executive Director. The role of the Committee includes monitoring and reviewing the operational and financial performance of the Company, reviewing the Company's investment plans and ensure that the system of financial controls are effectively implemented.

Remuneration Committee

The Committee comprises two non-executive Directors and the Managing Director. The role of the Committee is to assist the Board in addressing issues pertaining to remuneration levels, employee development and motivation. The Committee is also responsible in identifying and proposing to the Board appointment of new Directors and appointment to Board Committees.

DIRECTORS' CONFLICT OF INTEREST

Directors are required to disclose all areas of conflict of interest to the Board and are excluded from voting on such areas. They are sensitized on the rules of insider trading and are required to report and register regularly any changes in the shareholding.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to ensuring that shareholders and the financial markets are provided with full and timely information about its performance. This is usually done through the distribution of the Company's Annual Report and the release of notices in the national press of its half-yearly and annual results. The Company also responds to letters from shareholders and interested parties.

In this regard, the company complies with its obligations contained in the Nairobi Stock Exchange's Listing Rules and the Capital Markets Authority Act as applicable in Kenya.

DIRECTORS' EMOLUMENTS AND LOANS

The remuneration of non-executive Directors consists of fee and sitting allowances for their services in connection with Board and Committee meetings.

Neither at the end of the year, nor at any time during the year did there exist any arrangement to which the Company is party, where by Directors might acquire benefits by means of the acquisition of the Company's shares. There were no Directors' loans at anytime during the period.

Corporate Governance

The aggregate amount of emoluments paid to Directors for services rendered during the financial year ended December 31st 2009 is disclosed in Note 27 to financial statements.

SOCIAL AND ENVIRONMENTAL ISSUES
Sameer Africa remains a committed to the protection and management of our environment as well as the humanitarian needs of our society. To this end, we have maintained our ISO 14001 – 2004 Environmental Management Systems Certification.

CORPORATE SOCIAL RESPONSIBILITY
Sameer Africa continued with its support to various corporate social responsibility programmes that have an overall impact on road safety. These included teaming up with Kenya Red cross to educating the public on tyre safety in the Road Safety week aimed at reducing road carnage on our roads.

In conservation efforts, Sameer Africa is committed to environmental conservation through tree planting efforts by our staff and participation in the Aberdare fencing project through the Rhino charge and Rhino Ark Trust Foundation.

We continue to engage on HIV awareness and support programmes among staff, their families and informal settlement in the neighbourhood.

As part of our contribution to the health and safety wellbeing of our people, we have continued to take part in the fight against HIV and AIDS and to support both financially and in kind to various social causes such as famine relief, education of the needy and blood donation. In 2008 in conjunction with Hope Worldwide, we were involved in HIV / AIDS awareness and support initiatives at Mukuru Kayaba Slums

Yana sponsored driver in the KCB Rally, the driver won the 2 wheel championships in 2009.

Shareholding

The number of shareholders as at 31st December 2009 was 15,025 (2008 - 14,626)

PRINCIPAL SHAREHOLDERS

The ten largest shareholdings in the company and the respective number of shares held at 31 December 2009 are as follows:

No.	Name	Number of Shares	%
1	Sameer Investments Limited	159,332,926	57.23
2	Bridgestone Corporation	41,485,056	14.90
3	National Social Security Fund Trustees	5,677,550	2.03
4	BNP Paribasa (Suisse) SA	4,417,600	1.58
5	Swani Coffee Estate Limited	1,942,760	0.69
6	Karim Jamal	1,618,400	0.58
7	Kamlesh Raichand Shah	1,583,066	0.57
8	Barclays (Kenya) Nominees Limited A/c 9203	1,500,000	0.54
9	Craysell Investment Limited	1,093,500	0.39
10	Minaxshri Sureshchandra & Sureshchandra R Shah	1,071,600	0.38

Distribution of shareholders

Share range	Number of shareholders	Number of shares	%
0 - 500	7,975	2,329,478	0.84
501 – 5,000	5,855	9,406,223	3.38
5,001 – 10,000	539	4,161,910	1.50
10,001 – 100,000	570	16,610,798	5.97
100,001 – 1,000,000	75	26,111,526	9.38
Over 1,000,000	11	219,722,458	78.94
Total	**15,025**	**278,342,393**	**100.00**

Yana Pamoja Extra
750-16

Management Team

Seated from left:
Mr. J. Gatundu-GM Finance
Mr. M. M. Karanja-Managing Director
Ms. Irene Muinde-Head of Human Resources

Standing from left:
Mr. S. Mwenda-GM Marketing
Mr. J. Kabare-GM Manufacturing
Mr. A Mutisya- Country Manager, Uganda
Mr. S. Karima-GM Sales & Exports
Mr. S. Saraf-Head ICT
Mr. Charles. C. Kioko-Country Manager,Tanzania
Mr. R. Omondi-Head of Planning Procurement & Logistics

Statement of directors' responsibilities

The Directors are responsible for the preparation and presentation of the financial statements of Sameer Africa Limited set out on pages 20 to 47 which comprise the statements of financial position of the group and the company at 31 December 2009, and the group's statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Directors responsibility includes: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal control relevant to the preparation and presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Under the Kenyan Companies Act the Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company as at the end of the financial year and of the operating results of the group for that year. It also requires the Directors to ensure the group keeps proper accounting records which disclose with reasonable accuracy the financial position of the group and the company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the group and the company and of the group operating results.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the group and the company's ability to continue as a going concern and have no reason to believe the group and the company will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements, as indicated above, were approved by the Board of Directors on 26th February 2010.
and were signed on its behalf by:

S.M Githiga
Director

Michael M. Karanja
Director

Yana Grader

Report of the independent auditors to the members of sameer africa limited

We have audited the Group financial statements of Sameer Africa Limited set out on pages 20 to 47 which comprise the statements of financial position of the group and the company at 31 December 2009, and the Group's statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements
The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Kenyan Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of the Group and the company at 31 December 2009, and the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act.

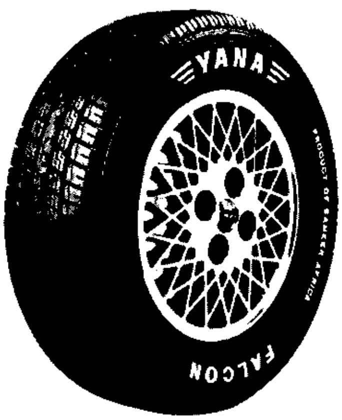
Report on other legal requirements
As required by the Kenyan Companies Act we report to you, based on our audit, that:

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept by the group and the company, so far as appears from our examination of those books; and

The statements of financial position of the group and the company are in agreement with the books of account.

KPMG



Yana Falcon

Consolidated statement of comprehensive income for the year ended 31 december 2009

	Notes	2009 KShs'000	2008 KShs'000
Revenue		3,278,118	3,026,747
Cost of sales		(2,414,382)	(2,282,782)
Gross profit		**863,736**	**743,965**
Other operating income		98,424	243,603
Distribution costs		(43,591)	(38,162)
Administrative expenses		(258,709)	(226,945)
Other operating expenses		(392,488)	(416,670)
Operating profit	**7**	**267,372**	**305,791**
Finance costs	9	(45,908)	(137,295)
Share of profit of equity accounted investees (net of income tax)	9	-	(2,974)
Profit before income tax		**221,464**	**165,522**
Income tax expense	10	(63,459)	(14,674)
Profit from operations		**158,005**	**150,848**
Other comprehensive income			
Foreign currency translation differences for foreign operations		(11,004)	22,796
Total other comprehensive income for the year		**(11,004)**	**22,796**
Total comprehensive income for the year		**147,001**	**173,644**
		2009 KShs	**2008 KShs**
Earnings per share:			
- Basic and diluted	11	0.57	0.54
Dividends:			
Proposed final dividend for the year	12	139,171	-
		139,171	-

The notes set out on pages 25 to 47 form an integral part of these financial statements.

Consolidated statement of financial position

for the year ended 31 december 2009

	Note	Group 2009 KShs '000	2008 KShs '000	Company 2009 KShs '000	2008 KShs '000
EQUITY					
Share capital	13	1,391,712	1,391,712	1,391,712	1,391,712
Retained earnings		795,463	777,864	127,054	222,465
Translation reserve		(43,779)	(34,010)	-	-
Proposed dividends		139,171	-	139,171	-
Total equity		**2,282,567**	**2,135,566**	**1,657,937**	**1,614,177**
Non-current liabilities					
Borrowings	14	6,818	8,359	-	-
Deferred income tax	15	4,855	4,132	-	-
Retirement benefit obligations	16	105,371	116,037	105,371	116,037
Total non-current liabilities		**117,044**	**128,528**	**105,371**	**116,037**
		2,399,611	**2,264,094**	**1,763,308**	**1,730,214**
Non-current assets					
Property, plant and equipment	17	556,860	618,155	495,827	536,695
Investment property	18	206,126	212,405	-	-
Investment in subsidiaries	20	-	-	146,686	146,686
Investment in associate	21	137,026	137,026	137,026	137,026
Prepaid operating lease rentals	19	759	770	759	770
Deferred income tax	15	29,558	40,852	9,590	15,641
Total non-current assets		**930,329**	**1,009,208**	**789,888**	**836,818**
Current assets					
Inventories	22	1,134,061	1,113,387	875,178	986,962
Receivables and prepayments	23	717,613	857,772	433,439	633,852
Current income tax		10,230	24,395	3,825	24,765
Cash and cash equivalents	24	213,141	71,386	155,485	29,238
Total current assets		**2,075,045**	**2,066,940**	**1,467,927**	**1,674,817**
Current liabilities					
Payables and accrued expenses	25	231,899	240,297	136,685	232,275
Current income tax		2,833	12,986	-	-
Borrowings	14	364,255	551,995	351,046	542,370
Unclaimed dividends		6,776	6,776	6,776	6,776
Total current liabilities		**605,763**	**812,054**	**494,507**	**781,421**
Net current assets		**1,469,282**	**1,254,886**	**973,420**	**893,396**
		2,399,611	**2,264,094**	**1,763,308**	**1,730,214**

The financial statements on pages 20 to 47 were approved by the Board of Directors on 26th February 2010 and were signed on its behalf by:

Michael M. Karanja
Managing Director

S.M Githiga
Director

The notes set out on pages 25 to 47 form an integral part of these financial statements.

Consolidated statement of comprehensive income for the year ended 31 december 2009

	Share capital KShs'000	Retained earnings KShs'000	Translation reserve KShs'000	Proposed dividends KShs'000	Total KShs'000
Year ended 31 December 2008					
At start of year	1,391,712	627,016	(56,806)	-	1,961,922
Total comprehensive income for the year					
Profit for the year	-	150,848	-	-	150,848
Other comprehensive income					
Currency translation differences	-	-	22,796	-	22,796
At end of year	**1,391,712**	**777,864**	**(34,010)**	**-**	**2,135,566**
Year ended 31 December 2009					
At start of year	1,391,712	777,864	(34,010)	-	2,135,566
Total comprehensive income for the year					
Profit for the year	-	158,005	-	-	158,005
Other comprehensive income					
Currency translation differences	-	(1,235)	(9,769)	-	(11,004)
Contributions by and distributions to owners					
Proposed dividends	-	(139,171)	-	139,171	-
At end of year	**1,391,712**	**795,463**	**(43,779)**	**139,171**	**2,282,567**

The notes set out on pages 25 to 47 form an integral part of these financial statements.

Consolidated statement of financial position
for the year ended 31 december 2009

	Share capital KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total KShs'000
Year ended 31 December 2008				
At start of year	1,391,712	117,128	-	1,508,840
Total comprehensive income for the year				
Profit for the year	-	105,337	-	105,337
At end of year	**1,391,712**	**222,465**	**-**	**1,1614,177**
Year ended 31 December 2009				
At start of year	1,391,712	222,465	-	1,1614,177
Total comprehensive income for the year				
Profit for the year	-	43,760	-	43,760
Contributions by and distributions to owners				
Proposed dividends	-	(139,171)	139,171	-
At end of year	**1,391,712**	**127,054**	**139,171**	**1,657,937**

The notes set out on pages 25 to 47 form an integral part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 december 2009

	Notes	2009 KShs'000	2008 KShs'000
Operating activities			
Cash generated from operations	26	429,164	163,461
Interest received	9	3,352	1,451
Interest paid	9	(47,385)	(77,049)
Income tax paid		(47,475)	(37,157)
Net cash generated from operating activities		**337,656**	**50,706**
Investing activities			
Purchase of property, plant and equipment	17	(90,468)	(68,416)
Rental income received	7	75,042	63,223
Proceeds from disposal of property, plant and equipment		2,716	3,654
Net cash used in investing activities		**(12,710)**	**(1,539)**
Financing activities			
Repayment of borrowings		(22,712)	(183,520)
Net cash absorbed by financing activities		**(22,712)**	**(183,520)**
Increase/ (Decrease) in cash and cash equivalents		**302,234**	**(134,353)**
Movement in cash and cash equivalents:			
At start of year		(446,229)	(332,998)
Increase/ (Decrease)		302,234	(134,353)
Effects of exchange rate changes on cash and cash equivalents		6,090	21,122
At end of year	24	**(137,905)**	**(446,229)**

The notes set out on pages 25 to 47 form an integral part of these financial statements.

Notes to the consolidated financial statements
for the year ended 31 december 2009

1. REPORTING ENTITY

Sameer Africa Limited is a limited liability company incorporated in Kenya under the Kenyan Companies Act, and is domiciled in Kenya. The consolidated financial statements of the company as at and for the year ended 31 December 2009 comprise the company and its subsidiaries (together referred to as the "Group"). The Group primarily is involved in the manufacture, importation and sale of tyres and letting of premises in an export processing zone. The address of its registered office is as follows:

LR No. 12081
Mombasa Road
PO Box 30429 - 00100
Nairobi

2. BASIS OF PREPARATION

(a) Changes in accounting policies

Starting 1 January 2009, the Group has changed its accounting policies in the following areas:

- Presentation of financial statements

  The Group applies revised IAS 1 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

  Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

- Determination and presentation of operating segments

  As of 1 January 2009 the Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with IAS 14 Segment Reporting. The new accounting policy in respect of segment operating disclosures is presented as follows.

  Comparative segment information has been presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

  An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the managing director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

  Segment results that are reported to the managing director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

  Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(b) Statement of compliance

The consolidated financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS).

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis as modified by revaluation of certain property, plant and equipment and investment property.

Notes to the consolidated financial statements

for the year ended 31 december 2009

(d) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Kenya shillings (KShs), which is the Group's functional and presentation currency.

(e) Use of estimates and judgement

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions are based on the Directors' best knowledge of current events, actions historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Note 20).

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Foreign currencies

(iii) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other (losses)/gains – net'.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in the available-for-sale reserve in equity.

(iv) Consolidation of group entities

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that Statement of financial position;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the Statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(c) Property, plant and equipment

(v) Recognition and measurement

Items of property, plant and equipment are measured at valuation/cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

(vi) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in statement of comprehensive income as incurred.

(vii) Depreciation

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. The annual rates of depreciation used are as follows:

Buildings	25 years
Machinery and equipment	8 years
Moulds, computers and software development costs	3 years
Motor vehicles	4 years
Office furniture and fixtures	8 years

The assets' residual values and useful lives are reviewed and adjusted as appropriate at each statement of financial position date.

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items

(viii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property and re-measured to fair value. Any gain arising on re-measurement is recognised in the statement of comprehensive income.

(d) Investment properties

Buildings, or part of a building, (freehold or held under a finance lease) and land (freehold or held under an operating lease) held for long term rental yields and/or capital appreciation and are not occupied by the Group are classified as investment property under non-current assets. Investment property is carried at historical cost. Depreciation is charged at the rate of 2.5% per annum.

(e) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(f) Impairment

(ix) Financial assets

At each statement of financial position date the Group assesses whether there is objective evidence that financial assets not carried at fair value through statement of comprehensive income are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset than can be estimated reliably.

The Group considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by companying together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a Group of assets such as adverse changes in the payment status of borrowers or issuers in the Group, or economic conditions that correlate with defaults in the Group.

In assessing collective impairment the Group uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rate, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in the statement of comprehensive income and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the statement of comprehensive income.

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost and current fair value out of equity to statement of comprehensive income. When a subsequent event causes the amount of impairment loss on an available-for-sale debt security to decrease, the impairment loss is reversed through the statement of comprehensive income.

However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in equity. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

(x) Non financial assets

The carrying amounts of the Group's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in statement of comprehensive income. Impairment losses recognised in respect of cash-generating units reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Inventories

Work in progress and manufactured finished goods are valued at production cost including direct production costs (cost of materials and labour) and an appropriate proportion of production overheads and factory depreciation. The cost of stocks is based on the weighted average principle.

If the purchase or production cost is higher than net realisable value, stocks are written down to net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Trade and other receivables

Trade and other receivables are stated at amortised cost less an estimate made for doubtful receivables based on a review of all outstanding amounts at year end.

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(i) Employee benefits

(xi) Defined contribution plan

Non-unionisable employees of the company are eligible for retirement benefits under a defined contribution plan provided through a separate fund arrangement.

Contributions to the defined contribution plan are charged to the statement of comprehensive income as incurred. The company has no further obligation once the contributions have been paid.

The assets of the defined contribution retirement benefit scheme are held in separate trustee administered funds, which are funded by contributions from both the Group and employees

(xii) Staff gratuity

For unionised employees, the group has an unfunded obligation to pay terminal gratuities under its Collective Bargaining Agreement with the union. Employees who retire on reaching the retirement age fixed by the group or on grounds of ill health receive twenty one days basic wage for less than six years of service per completed year of service. For six years of service or more, employees receive twenty eight days basic wage per completed year of service resigning. The provision for liability recognised in the Statement of financial position is the estimated entitlement as a result of services rendered by employees up to the Statement of financial position date. Any increase or decrease in the provision is taken to the profit and loss account. The defined benefit scheme is unfunded.

The Group and all its employees also contribute to the appropriate National Social Security Funds, which are defined contribution schemes.

(xiii) Leave accrual

The monetary value of the unutilised leave by staff as at year end is carried in the accruals as a payable and the movement in the year is debited/credited to the statement of comprehensive income.

(xiv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(j) Taxation

Tax on the operating results for the year comprises both current and change in deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is provided on the results in the year as shown in the financial statements adjusted in accordance with tax legislation.

Deferred tax is provided using the statement of financial position liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is calculated on the basis of the tax rates currently enacted.

(k) Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprise cash in hand, bank balances, and short term deposits net of bank overdrafts.

(l) Related party transactions

The group discloses the nature, volume and amounts outstanding at the end of each financial year from transactions

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for the year ended 31 december 2009

with related parties, which include transactions with the directors, executive officers and group or related companies.

(m) Dividends

Dividends are recognised as a liability in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

(n) Financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. Financial instruments held by the group include term deposits and receivables arising from day to day sale of goods and services and cash and bank balances.

Management determines the appropriate classification of its financial instruments at the time of purchase and re-evaluates its portfolio every statement of financial position date to ensure that all financial instruments are appropriately classified.

Loans and receivables which include term deposits and receivables arising from day to day sale of goods and services, are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method.

A financial asset is derecognised when the group loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished.

(o) Intangible assets

(xv) Goodwill/premium on acquisition

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment.

Negative goodwill arising on an acquisition is recognised directly in profit and loss.

(xvi) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives.

(p) Offsetting

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(q) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specifics to the liability.

(r) Finance income and expenses

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the statement of comprehensive income using the effective interest rate.

Foreign exchange gains and losses are report on a net basis.

(s) Segmental reporting

A segment is a distinguishable component of the Group that is providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which is subject to risks and rewards that are different from those of other segments. The Group's primary form for segment reporting is based on geographic segments.

(t) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(u) Comparative information

Where necessary, comparative figures have been restated to conform with changes in presentation in the current year.

(v) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these financial statements:

- IAS 24 Related Party Disclosures amends the definition of a related party and modifies certain related party disclosure requirements for government related entities. The amendment to IAS 24 will become mandatory for the Group's 2011 financial statements and are expected to have an impact on the presentation of related party information in the Group's financial statements.

- IFRS 9 Financial Instruments retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised costs and fair value. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.

  IFRS 9 will become mandatory for the Group's 2014 financial statements and is not expected to have a significant effect on the financial statements.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POICIES

Overview

The Group has exposure to the following risks from its use of financial instruments:

(q) Credit risk;
(r) Liquidity risk; and
(s) Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The board of directors has overall responsibility for the establishment and oversight the Group's risk management framework. The finance department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

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Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Company has a stringent debt provisioning policy that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main component of this allowance specific loss component that relates to individually significant exposures.

The Group also manages the level of credit risk by focusing on customer satisfaction as a key performance indicator. It also maintains a short credit period. Due to the nature of the Group's activities, credit risk concentrations are high and as such close monitoring of credit relationships is carried out.

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

		Group		**Company**
	2009	**2008**	**2009**	**2008**
	KShs '000	**KShs '000**	**KShs '000**	**KShs '000**
Cash equivalents	213,141	71,386	155,485	29,238
Trade receivables	532,522	618,596	312,735	386,227
Less: Collateral held	(22,657)	(54,251)	(22,657)	(54,251)
Net trade receivables	509,865	564,345	290,078	331,976
Other receivables	45,502	239,176	91,599	247,625
	768,508	**874,907**	**537,162**	**608,839**

Guarantees

The Group obtains financial guarantees in the form of customer refundable deposits and bank guarantees in the ordinary course of business for the supply of goods from certain suppliers.

Impairment losses

The aging of trade receivables at the reporting date was:

		Group		**Company**
	2009	**2008**	**2009**	**2008**
	KShs '000	**KShs '000**	**KShs '000**	**KShs '000**
Past due but not impaired:				
- by up to 30 days	190,091	101,946	86,317	48,322
- by 31 to 60 days	103,765	97,146	48,493	60,249
- by 61 to 90 days	32,648	56,582	12,833	46,111
- by 91 to 180 days	40,649	58,844	17,437	42,787
- over 181 days	69,563	94,854	58,830	60,908
Total past due but not impaired	**436,716**	**409,372**	**223,910**	**258,377**
Impaired	**155,379**	**136,610**	**92,601**	**87,524**

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's

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approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The maturities of the Group's financial obligations can be analysed as shown below:

(i) Group

31 December 2009:	**Less than 1 year KShs'000**	**Due between 1-2 years KShs'000**	**Due between 2-5 years KShs'000**	**Due after 5 years KShs'000**	**Total KShs'000**
Financial liabilities					
Borrowings	13,209	6,818	-	-	20,027
Bank overdrafts	344,228	-	-	-	344,228
Unclaimed dividends	6,776	-	-	-	6,776
Trade and other payables	231,899	-	-	-	231,899
Income tax payable	-	-	-	-	-
At 31 December 2009	**596,112**	**6,818**	-	-	**602,930**
31 December 2008:					
Financial liabilities					
Borrowings	34,380	8,359	-	-	42,739
Bank overdrafts	517,615	-	-	-	517,615
Unclaimed dividends	6,776	-	-	-	6,776
Trade and other payables	240,297	-	-	-	240,297
Income tax payable	4,393	-	-	-	4,393
At 31 December 2008	**803,461**	**8,359**	-	-	**811,820**

(ii) Company

31 December 2009:	**Less than 1 year KShs'000**	**Due between 1-2 years KShs'000**	**Due between 2-5 years KShs'000**	**Due after 5 years KShs'000**	**Total KShs'000**
Financial assets and liabilities					
- borrowings	-				
- bank overdrafts	351,046	-	-	-	351,046
- unclaimed dividends	6,776	-	-	-	6,776
- trade and other payables	136,685	-	-	-	136,685
At 31 December 2009	**494,507**	-	-	-	**494,507**
31 December 2008:					
Financial assets and liabilities					
- borrowings	24,755	-	-	-	24,755
- bank overdrafts	517,615	-	-	-	517,615
- unclaimed dividends	6,776	-	-	-	6,776
- trade and other payables	232,275	-	-	-	232,275
At 31 December 2008	**781,421**	-	-	-	**781,421**

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(c) Market Risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised foreign currency assets and liabilities and net investments in foreign operations.

Exchange risk from net investments in foreign operations

The Group has subsidiaries in Uganda and Tanzania. Therefore, the net investments in these subsidiaries are exposed to foreign exchange risk upon consolidation of the financial statements and are charged to the translation reserve. The effect the changes in the exchange rates as at 31 December 2009 would have had on the translation reserve are shown below:

Uganda

At 31 December 2009, if the Ugandan Shilling had weakened/strengthened by 3% (2008: 3%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to the consolidated translation reserve would have been Shs 3,235,000 (2008: Shs 6,136,000) higher/lower.

Tanzania

At 31 December 2009, if the Tanzanian Shilling had weakened/strengthened by 3% (2008: 3%) against the Kenyan Shilling with all other variables held constant, the net (charge)/credit to the consolidated translation reserve would have been Shs 8,917,000 (2008: Shs 6,533,000) higher/lower.

Group Exchange Risk from recognised financial assets and liabilities

At 31 December 2009, if the Kenya Shilling had weakened/strengthened by 7% against the US dollar/Euro with all other variables held constant, consolidated post tax profit for the year would have been Shs 4,137,000 (2008: Shs 5,569,000) higher/lower, mainly as a result of US dollar receivables and bank balances.

At 31 December 2009, if the Kenya Shilling had weakened/strengthened by 7% against the US dollar/Euro with all other variables held constant, consolidated post tax profit for the year would have been Shs 25,911,000 (2008: 13,812,000) lower/higher, mainly as a result of US dollar denominated trade payables and borrowings.

Company Exchange Risk from recognised financial assets and liabilities

At 31 December 2009, if the Kenya Shilling had weakened/strengthened by 7% against the US dollar with all other variables held constant, consolidated post tax profit for the year would have been Shs 3,767,000 (2008: Shs 2,093,000) higher/lower, mainly as a result of US dollar receivables and bank balances.

At 31 December 2009, if the Kenya Shilling had weakened/strengthened by 7% against the US dollar with all other variables held constant, consolidated post tax profit for the year would have been Shs 20,269,000 (2008: Shs 11,536,000) lower/higher, mainly as a result of US dollar denominated trade payables and borrowings.

Company Exchange Risk from recognised financial assets and liabilities

At 31 December 2009, if the Kenya Shilling had weakened/strengthened by 7% against the US dollar with all other variables held constant, consolidated post tax profit for the year would have been Shs 3,767,000 (2008: Shs 2,093,000) higher/lower, mainly as a result of US dollar receivables and bank balances.

At 31 December 2009, if the Kenya Shilling had weakened/strengthened by 7% against the US dollar with all other variables held constant, consolidated post tax profit for the year would have been Shs 20,269,000 (2008: Shs 11,536,000) lower/higher, mainly as a result of US dollar denominated trade payables and borrowings.

(ii) Cash flow and fair value interest rate risk

The Group's only interest bearing assets are Fixed Deposits, all of which are at a fixed rate. The group also has borrowings at fixed rates. No limits are placed on the ratio of variable rate borrowing to fixed rate borrowing

At 31 December 2009, an increase/decrease of 100 basis points for the local currency borrowings and increase/decrease of 1 basis points for the foreign currency borrowings would have resulted in an decrease/increase in consolidated post tax profit of Shs 1,306,000 (2008: Shs 1,259,000), mainly as a result of higher/lower interest charges on variable rate borrowings.

Company

At 31 December 2009, an increase/decrease of 100 basis points for the local currency borrowings and increase/decrease of 1 basis points for the foreign currency borrowings would have resulted in an decrease/increase in company post tax profit of Shs 1,306,000 (2008: Shs 1,163,000), mainly as a result of higher/lower interest charges on variable rate borrowings.

(c) Capital management

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividend payout to its shareholders.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. The gearing ratios at 31 December 2009 and 2008 were as follows:

	2009	2008
Group:	**KShs'000**	**KShs'000**
Total borrowings	371,072	560,354
Less: Cash and cash equivalents	(213,141)	(71,386)
Net debt	157,931	488,968
Total equity	2,282,567	2,135,566
Total capital	**2,440,498**	**2,624,534**
Gearing ratio	**6.5%**	**18.6%**
Company:		
Total borrowings	351,046	542,370
Less: cash and cash equivalents	(155,485)	(29,238)
Net debt	195,561	513,132
Total equity	1,657,937	1,614,177
Total capital	**1,853,498**	**2,127,309**
Gearing ratio	**10.6%**	**24.1%**

5. SEGMENTAL REPORTING

The Directors consider the Group to comprise of one business segment in terms of products and service, which is the manufacture and sale of tyres and tubes by the parent company, Sameer Africa Limited, with distribution extensions through wholly owned subsidiaries in Uganda and Tanzania.

The Directors also consider the East African Community as one geographical segment due to the following reasons:
there are no special risks affecting the tyre business in the three countries;
there are common customer characteristics; and
there are similar economic, fiscal and political conditions, currency risks and exchange control regimes

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for the year ended 31 december 2009

	Kenya 2009 KShs '000	Kenya 2008 KShs '000	Uganda 2009 KShs '000	Uganda 2008 KShs '000	Tanzania 2009 KShs '000	Tanzania 2008 KShs '000	Consolidated 2009 KShs '000	Consolidated 2008 KShs '000
Profit for the year	98,567	93,819	24,410	10,184	35,028	46,845	158,005	150,848
Attributable to:								
Equity holders of parent								
- Company	98,567	93,819	24,410	10,184	35,028	46,845	158,005	150,848
- Subsidiary	-		-	-	-	-	-	-
	98,567	93,819	24,410	10,184	35,028	46,845	158,005	150,848
Non-controlling interest								
Profit for the year	**98,567**	**93,819**	**24,410**	**10,184**	**35,028**	**46,845**	**158,005**	**150,848**
Other information:								
Segment assets	2,041,934	2,112,148	202,856	685,590	760,584	278,410	3,005,374	3,076,148
Segment liabilities	608,523	859,283	25,685	29,073	88,599	52,227	722,807	940,582
Capital expenditure	82,535	57,743	2,404	476	5,529	10,197	90,468	68,416
Depreciation expense	129,834	148,880	2,563	2,730	2,300	2,854	134,698	147,464
Amortisation of operating leases	11	10					11	10
Amortisation of intangible assets								

Notes to the consolidated financial statements

for the year ended 31 december 2009

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

- **Income taxes**

  The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Property and equipment**

  Critical estimates are made by the directors in determining depreciation rates for property and equipment. The rates used are set out in Note 2(d) above.

- **Receivables**

  Critical estimates are made by the directors in determining the recoverable amount of impaired receivables.

- **Investment property**

  Critical estimates are made by the directors in determining amortization rates for investment property. The rates used are set out in Note 2(e) above.

(b) Critical judgements in applying the entity's accounting policies

In the process of applying the company's accounting policies, management has made judgements in determining whether assets are impaired.

7. GROUP OPERATING PROFIT

The following items have been charged/ (credited) in arriving at operating profit:

	2009 KShs'000	**2008 KShs'000**
Depreciation on property, plant and equipment (Note 16)	134,709	147,474
Depreciation on investment property (Note 18)	6,279	6,279
Investment property:		
- Rental income	(75,042)	(63,223)
- Operating expense	20,354	20,700
Provision for impairment losses:		
- Receivables	15,711	51,180
- Inventory	46,789	3,479
Repairs and maintenance	74,920	28,694
Employee benefits expense (Note 7)	3,373	20,705
Auditors' remuneration	**4,500**	**4,500**

8. GROUP EMPLOYEE BENEFITS EXPENSE

The following items are included within employee benefits expense:

Retirement benefits costs:		
- Defined contribution scheme	9,128	8,259
- National Social Security Fund	2,655	1,121
- Defined benefit scheme (Note 15)	8,410)	11,325

9. GROUP FINANCE COSTS

Interest expense on bank borrowings	47,385	77,049
Interest income	(3,352)	(1,451)
Net foreign exchange losses / (gains)	1,875	61,661
Net finance costs	**45,908**	**137,295**

Notes to the consolidated financial statements

for the year ended 31 december 2009

10. GROUP INCOME TAX EXPENSE

Current income tax	52,377	47,98
Deferred income tax (credit)/charge (Note 15)	11,082	(33,313)
Income tax expense	**63,459**	**14,674**

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2009 KShs'000	2008 KShs'000
Profit before income tax	**221,464**	**165,522**
Tax calculated at domestic rates applicable to profits in the respective countries – 30% (2008 - 30%)	66,439	49,657
Tax effect of:		
Income not subject to income tax	(5,753)	(42,263)
Expenses not deductible for income tax purposes	4,144	9,694
Under provision of deferred income tax in prior years	2,238	1,753
Under provision of current income tax in prior years	(2,127)	-
Deferred tax asset not recognised	-	2,070
Effect of different income tax rate for Sameer Industrial Park Limited and Sameer EPZ Limited	(1,483)	(6,237)
Income tax expense	**63,459**	**14,674**

11. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2009	2008
Profit attributable to equity holders of the Company (KShs '000)	158,005	150,848
Weighted average number of ordinary shares in issue ('000)	278,342	278,342
Basic earnings per share (KShs)	0.57	0.54

There were no potentially dilutive shares outstanding at 31 December 2009 or 2008. Diluted earnings per share are therefore the same as basic earnings per share.

12. DIVIDENDS PER SHARE

At the next annual general meeting, the directors will be proposing the payment of a dividend of 50 cents per share in respect of the year ended 31 December 2009. During the year no interim dividend was paid.

13.. SHARE CAPITAL

	Number o1 shares	Ordinary shares KShs'000
Balance at 1 January 2008, 31 December 2008 and 31 December 2009	**278,342,400**	**1,391,712**

The total authorised number of ordinary shares is 300,000,000 with a par value of KShs 5.00 per share. All issued shares are fully paid.

Notes to the consolidated financial statements

for the year ended 31 december 2009

14. BORROWINGS

The borrowings are made up as follows:

	Group 2009 KShs '000	Group 2008 KShs '000	Company 2009 KShs '000	Company 2008 KShs '000
Non-current				
Bank borrowings	6,818	8,359	-	-
Current				
Bank borrowings	13,209	34,380	-	24,755
Bank overdraft	351,046	517,615	351,046	517,615
	364,255	551,995	351,046	542,370
Total borrowings	**371,073**	**560,354**	**351,046**	**542,370**

Borrowings are secured by way of a negative pledge and certain of the group's land and buildings of that subsidiary.

Weighted average effective interest rates at the year end were:	2009 %	2008 %
Bank overdrafts	8.00	11.00
Bank borrowings	16.5	16.28

In the opinion of the directors, the carrying amounts of borrowings approximate to their fair values. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that directors expect would be available to the Group at the Statement of financial position date.

Maturity of non-current borrowings (excluding operating lease liabilities):

	Group 2009 KShs '000	Group 2008 KShs '000	Company 2009 KShs '000	Company 2008 KShs '000
Between 1 and 2 years	**6,818**	**8,359**	**-**	**-**

15. DEFERRED INCOME TAX

Deferred income tax is calculated using the enacted income tax rates of 25% and 30% that apply to the different group companies. The movement on the deferred income tax account is as follows:

(a) Group

		2009 KShs'000	2008 KShs'000
At start of year		(36,720)	(2,626)
Credit to statement of comprehensive income	(Note 9)	11,671	(33,313)
Currency translation differences		346	(781)
At end of year		**(24,703)**	**(36,720)**
As disclosed on the statement of financial position:			
Deferred income tax assets		(29,558)	(40,852)
Deferred income tax liabilities		4,855	4,132
		(24,703)	**(36,720)**

Consolidated deferred income tax assets and liabilities and deferred income tax charge/(credit) in the Statement of comprehensive income, are attributable to the following items:

Year ended 31 December 2009:	1.1.2009 KShs '000	Charged/ (credited) to P/L KShs '000	Exchange Differences KShs '000	31.12.2009 KShs '000
Property, plant and equipment	63,741	(26,232)	(2)	35,507
Investment property	3,455	(81)	(3)	3,371
Provisions and other deductible temporary differences	(99,990)	34,058	351	(65,581)
Tax losses	(8,192)	8,192	-	-
Net deferred income tax asset	**(40,986)**	**15,937**	**346**	**(24,703)**
Deferred income tax asset not recognised	4,266	(4,266)	-	-
Deferred income tax asset recognised	**(36,720)**	**11,671**	**346**	**(24,703)**

Year ended 31 December 2008:	1.1.2008 KShs '000	Charged/ (credited) to P/L KShs '000	Exchange Differences KShs '000	31.12.2008 KShs '000
Property, plant and equipment	76,597	(12,905)	49	63,741
Investment property	3,490	(35)	-	3,455
Provisions and other deductible temporary differences	(72,911)	(26,249)	(830)	(99,990)
Tax losses	(11,998)	3,806	-	(8,192)
Net deferred income tax asset	(4,822)	(35,383)	(781)	(40,986)
Deferred income tax asset not recognised	2,196	2,070	-	4,266
Deferred income tax asset recognised	**(2,626)**	**(33,313)**	**(781)**	**(36,720)**

(b) **Company**

Company deferred income tax assets and liabilities are attributable to the following items:

	2009 KShs'000	2008 KShs'000
Property, plant and equipment	37,786	61,957
Provisions and other deductible temporary differences	(47,376)	(74,219)
Income tax losses	-	(3,379)
Net deferred income tax asset	**9,590**	**(15,641)**

16. RETIREMENT BENEFIT OBLIGATIONS – Group and Company

		2009	2008
At start of year		116,037	111,873
Charged to statement of comprehensive income	(Note 7)	(8,410)	11,325
Utilised during year		(2,256)	(7,161)
At end of year		**105,371**	**116,037**

17. PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Buildings KShs'000	Plant & machinery KShs'000	Vehicles & equipment KShs'000	Capital work in progress KShs'000	Total KShs'000
At 31 December 2008					
At 1 January 2008	324,761	2,241,440	296,592	24,287	2,887,080
Cost	(154,025)	(1,801,687)	(233,869)	-	(2,189,581)
Net book amount	170,736	439,753	62,723	24,287	697,499
Year ended 31 December 2008					
Opening net book amount	170,736	439,753	62,723	24,287	697,499
Currency translation	-	-	893	-	893
Additions	-	11,367	2,251	54,798	68,416
Transfers	3,659	41,890	5,941	(51,490)	-
Disposals	-	-	(30,198)	-	(30,198)
Reclassifications	-	-	29,019	-	29,019
Depreciation charge	(11,905)	(112,167	(23,402)	-	(147,474)
Closing net book amount	162,490	380,843	47,227	27,595	618,155
December 2008					
Cost	328,420	2,294,697	277,278	27,595	2,927,990
Accumulated depreciation	(165,930)	(1,913,854)	(230,051)	-	(2,309,835)
Net book amount	162,490	380,843	47,227	27,595	618,155
Year ended 31 December 2009					
Opening net book amount	162,490	380,843	47,227	27,595	618,155
Currency translation	-	-	(590)	-	(590)
Adjustment	1,061	(5,420)	(1,236)	4,932	(663)
Additions	-	-	3,215	87,253	90,468
Transfers	-	(3,061)	-	(12,666)	(15,727)
Disposals -cost	-	-	(10,790)	-	(10,790)
-accum depreciation	-	-	10,716	-	10,716
Depreciation charge	(12,191)	(101,606)	(20,912)	-	(134,709)
Closing net book amount	151,360	270,756	27,630	107,114	556,860
At 31 December 2009					
Cost	329,481	2,286,216	267,877	107,114	2,990,688
Accumulated depreciation	(178,121)	(2,015,460)	(240,247)	-	(2,433,828)
Net book amount	**151,360**	**270,756**	**27,630**	**107,114**	**556,860**

(b) Company

	Buildings KShs'000	Plant & machinery KShs'000	Vehicles & equipment KShs'000	Capital work in progress KShs'000	Total KShs'000
At 31 December 2008					
At 1 January 2008					
Cost	313,176	2,195,215	321,545	24,287	2,854,223
Accumulated depreciation	(145,521)	(1,791,389)	(277,033)	-	(2,213,943)
Net book amount	167,655	403,826	44,512	24,287	640,280
Year ended 31 December 2008					
Opening net book amount	167,655	403,826	44,512	24,287	640,280
Additions	-	-	-	31,254	31,254
Transfers	3,659	41,890	5,941	(51,490)	-
Disposal	-	-	(25,315)	-	(25,315)
Depreciation charge	-	-	25,315	-	25,315

	Buildings KShs'000	Plant & machinery KShs'000	Vehicles & equipment KShs'000	Capital work in progress KShs'000	Total KShs'000
	(11,136)	(107,006)	(16,697)	-	(134,839)
Closing net book amount	160,178	338,710	33,756	4,051	536,695
At 31 December 2008					
Cost	316,835	2,237,105	302,171	4,051	2,860,162
Accumulated depreciation	(156,657)	(1,898,395)	(268,415)	-	(2,323,467)
Net book amount	**160,178**	**338,710**	**33,756**	**4,051**	**536,695**
Year ended 31 December 2009					
Opening net book amount	160,178	338,710	33,756	4,051	536,695
Audit adjustment	1,070	5,253	(1,411)	4,931	(663)
Additions	-	-		79,758	79,758
Transfers	-	-		-	
Disposals -cost	-	-	(10,399)	-	(10,399)
-accum depreciation	-	-	10,325	-	10,325
Depreciation charge	(11,422)	(94,610)	(13,857)	-	(119,889)
Closing net book amount	149,826	238,847	18,414	88,740	495,827
At 31 December 2009					
Cost	315,820	2,225,479	228,827	88,740	2,858,866
Accumulated depreciation	(165,994)	(1,986,632)	(210,413)	-	(2,363,039)
Net book amount	**149,826**	**238,847**	**18,414**	**88,740**	**495,827**

In the opinion of the Directors, there is no impairment of property, plant and equipment.

18. INVESTMENT PROPERTY - Group

	2009 KShs'000	2008 KShs'000
At start of year	212,405	218,684
Depreciation	(6,279)	(6,279)
At end of year	206,126	212,405
Comprising:		
Cost	250,941	250,941
Accumulated depreciation	(44,815)	(38,536)
At end of year	**206,126**	**212,405**

The Directors' estimate of the fair value of investment property is KShs 400 million (2008 - KShs 364 million).

19. PREPAID OPERATING LEASE RENTALS

	Group 2009 KShs '000	Group 2008 KShs '000	Company 2009 KShs '000	Company 2008 KShs '000
At start of year	770	859	770	859
Amortisation charge for the year	(11)	(10)	(11)	(10)
Disposals	-	(79)	-	(79)
At end of year	**759**	**770**	**759**	**770**

Notes to the consolidated financial statements

for the year ended 31 december 2009

20. INVESTMENT IN SUBSIDIARIES – Company

The company's interest in its subsidiaries, all of which are unlisted and all of which have the same year end as the company, were as follows:

	Country of incorporation	% interest held	2009 KShs'000	2008 KShs'000
Sameer Africa (Uganda) Limited	Uganda	100	26,612	26,612
Sameer Africa (Tanzania) Limited	Tanzania	100	74	74
Yana Tyre Centre Limited	Kenya	100	10,000	10,000
Sameer Industrial Park Limited	Kenya	100	120,000	120,000
Taqwa Trading Limited	Kenya	100	35,000	35,000
			191,686	191,686
Less: provision for impairment			(45,000)	(45,000)
			146,686	**146,686**

21. INVESTMENT IN ASSOCIATES

	Group 2009 KShs '000	Group 2008 KShs '000	Company 2009 KShs '000	Company 2008 KShs '000
At start of year	137,026	-	137,026	-
Acquisition	-	140,000	-	140,000
Share of loss	-	(2,974)	-	(2,974)
At end of year	**137,026**	**137,026**	**137,026**	**137,026**

The Group's interest in its principal associates, all of which are unlisted, were as follows:

	Country of incorporation	% interest held	Assets KShs'000	Liabilities KShs'000	Revenues KShs'000	Loss KShs'000
2009						
Sameer Business Park Limited	Kenya	25	1,575,601	1,027,027	-	(11,426)
2008						
Sameer Business Park Limited	Kenya	25	785,556	170,452	-	(11,896)

The associate is currently not trading.

22. INVENTORIES

	Group 2009 KShs '000	Group 2008 KShs '000	Company 2009 KShs '000	Company 2008 KShs '000
Raw materials	341,479	428,300	339,583	428,300
Stores and supplies	108,029	130,484	108,029	130,484
Work in progress	37,207	35,515	37,207	35,515
Finished goods	647,346	519,088	390,359	392,663
	1,134,061	**1,113,387**	**875,178**	**986,962**

23. RECEIVABLES AND PREPAYMENTS

	Group 2009 KShs '000	Group 2008 KShs '000	Company 2009 KShs '000	Company 2008 KShs '000
Trade receivables	684,842	755,206	405,336	473,751
Less: Provision for impairment	(152,320)	(136,610)	(92,601)	(87,524)

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for the year ended 31 december 2009

	Group 2009 KShs '000	2008 KShs '000	Company 2009 KShs '000	2008 KShs '000
	532,522	618,596	312,735	386,227
Prepayments	12,154	11,593	9,041	9,636
Amounts due from related companies (Note 27)	-	7,468	-	7,468
Other receivables	172,937	220,115	111,663	190,355
Receivables from subsidiaries (Note 27):				
Gross				40,166
Less: provision for impairment	-	-	-	-
Net receivable from subsidiaries	-	-	-	40,166
	717,613	**857,772**	**433,439**	**633,852**

24. CASH AND CASH EQUIVALENTS

For the purposes of the Statement of cash flows, cash and cash equivalents comprise the following:

	Group 2009 KShs '000	2008 KShs '000	Company 2009 KShs '000	2008 KShs '000
Cash at bank and in hand	213,141	71,386	155,485	29,238
Bank overdraft (Note 14)	(351,046)	(517,615)	(351,046)	(517,615)
	(137,905)	**(446,229)**	**(195,561)**	**(488,377)**

Included in the balances above are KShs 75,647 held with related parties.

25. PAYABLES AND ACCRUED EXPENSES

	Group 2009 KShs '000	2008 KShs '000	Company 2009 KShs '000	2008 KShs '000
Trade payables	161,068	132,210	76,311	93,737
Amounts due to related companies (Note 27)	250	2,101	250	2,101
Amounts due to subsidiaries (Note 27)	-	-	52,620	101,346
Accrued expenses and other payables	70,581	105,986	7,504	35,091
	231,899	**240,297**	**136,685**	**232,275**

26. CASH GENERATED FROM OPERATIONS

Reconciliation of profit before income tax to cash generated from operations:

	2009 KShs'000	2008 KShs'000
Profit before income tax	221,464	165,522
Adjustments for:		
Interest income (Note 9)	(3,352)	(1,451)
Rental income	(75,042)	(63,223)
Interest expense (Note 9)	47,385	77,049
Share of loss in associate (Note 20)	-	2,974
Profit on sale of property plant and equipment	(2,711)	(2,475)
Profit on sale of prepaid operating lease rentals		(139,921)
Depreciation on property plant and equipment (Note 17)	134,709	147,474
Depreciation on investment property (Note 18)	6,279	6,279

	2009 KShs'000	2008 KShs'000
Amortisation of prepaid operating lease rentals (Note 19)	11	10
Changes in working capital:		
- Receivables and prepayments	140,159	36,500
- Inventories	(20,674)	27,517
- Payables and accrued expenses	(8,398)	(96,958)
- Provisions for retirement benefit obligations	(10,666)	4,164
Cash generated from operations	**429,164**	**163,461**

27. CONTINGENT LIABILITIES

There are are no contigent liabilities.

28. RELATED PARTY TRANSACTIONS

The Group is controlled by Sameer Investments Limited incorporated in Kenya. There are other companies that are related to Sameer Africa Limited through common shareholdings or common directorships.

Group:

The following transactions were carried out with related parties:

(a) Sale of goods and services	2009 KShs'000	2008 KShs'000
Ryce East Africa Limited	5,739	11,032
H Young (EA) Limited	16,547	38,775
Swift Global Kenya Limited	-	68
	22,286	**49,875**

(b) Purchase of goods and services	KShs'000	KShs'000
Ryce East Africa Limited	3,449	17,902
Celtel Kenya Limited	2,543	4,885
Swift Global Kenya Limited	5,692	5,273
	11,684	**28,060**

(c) Key management compensation

Salaries and other short-term employment benefits	28,221	36,754

(d) Outstanding balances

		Group		Company
i) Amounts due from:	2009 KShs '000	2008 KShs '000	2009 KShs '000	2008 KShs '000
Subsidiaries:				
Yana Tyre Centre Limited	-	-	-	11,866
Taqwa Trading Limited	-	-	-	28,300
	-	**-**	**-**	**40,166**
Other related companies:				
Ryce East Africa Limited	3,536	4,330	3,536	4,330
H Young (EA) Limited	3,174	2,966	3,174	2,966
Swift Global Kenya Limited	269	-	269	-
Yansam Motors (Tanzania) Limited	518	-	518	-
Eveready Batteries (K) Ltd	142	172	142	172
	7,639	**7,468**	**7,639**	**7,468**

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i) Amounts due from:	Group 2009 KShs '000	Group 2008 KShs '000	Company 2009 KShs '000	Company 2008 KShs '000
Subsidiaries:				
Sameer Industrial Park Limited		-	-	26,633
Sameer Africa (Uganda) Ltd		-	-	68,119
Sameer Africa (Tanzania) Ltd	-	-	52,620	6,594
	-	**-**	**52,620**	**101,346**
Other related companies:				
Bridgestone Americas Holdings, Inc.				
Ryce East Africa Limited	250	485	250	485
Swift Global Kenya Limited		1,616	-	1,616
Dimensions Data Limited	-	-	-	-
	250	**2,101**	**250**	**2,101**

Company:

(e) Directors' remuneration	**2009 KShs'000**	**2008 KShs'000**
Fees for services as a director	4,940	4,545
Other emoluments (included in key management compensation above)	14,273	23,464
Total remuneration of directors of the Company	19,213	28,009

29. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the Statement of financial position date but not recognised in the financial statements is as follows:

	Group 2009 KShs '000	Group 2008 KShs '000	Company 2009 KShs '000	Company 2008 KShs '000
Property, plant and equipment	**59.343**	**38,393**	**59,343**	**38,393**

(b) Operating lease commitments

Payments due under lease hire of motor vehicles are as follows:

	Group 2009 KShs '000	Group 2008 KShs '000	Company 2009 KShs '000	Company 2008 KShs '000
Not later than 1 year	2,138	2,132	2,138	2,132
Later than 1 year and not later than 5 years	225	1,911	225	1,911
	2,363	**4,043**	**2,363**	**4,043**

Payments due under lease rentals:

Not later than 1 year	34,190	23,019	2,867	2,861
Later than 1 year and not later than 5 years	116,597	79,114	590	2,270
Later than 5 years	32,691	21,992	-	-
	183,478	**124,125**	**3,457**	**5,131**

Group five year result

for the year ended 31 december 2009

	2005 Shs'000	2006 Shs'000	2007 Shs'000	2008 Shs'000	2009 Shs'000
Turnover	3,359,010	3,171,049	3,469,283	3,026,747	3,278,118
Group profit before tax	294,253	(14,865)	166,520	165,522	221,464
Taxation	(89,575)	(7,423)	(47,905)	(14,674)	(63,459)
Profit after taxation	204,678	(22,288)	118,615	150,848	158,005
Dividends (gross)	(139,171)	-	-	-	(139,171)
Retained profit transferred to/(from) Revenue reserve	65,507	(22,288)	118,615	150,848	18,834
Earnings per share (Shs)	0.74	(0.08)	0.43	0.43	0.57
Dividend per share (Shs)	0.50	-	-	-	0.50
Shares in issue (000s)	278,342	278,342	278,342	278,342	278,342
Consolidated balance sheet summary					
Fixed assets	738,110	745,900	697,499	618,155	556,860
Prepaid operating lease rentals	1,917	1,897	859	770	759
Investment property	231,242	224,963	218,684	212,405	206,126
Investment in associate	-	-	-	137,026	137,026
Deferred Income tax	-	12,927	19,313	40,852	29,558
	971,269	985,687	936,355	1,009,208	930,329
Current assets:					
Inventories	1,404,877	1,248,594	1,140,904	1,113,387	1,134,061
Receivables and prepayments	651,119	839,549	894,272	857,772	717,613
Bank balances and cash	142,969	193,639	163,720	24,395	10,230
Tax recoverable	34,296	42,597	26,632	71,386	213,141
	2,233,261	2,324,379	2,225,528	2,066,940	2,075,045
Current liabilities:					
Borrowings	348,237	531,713	699,590	551,995	364,255
Payables and accrued expenses & unclaimed dividends	681,140	723,296	344,031	247,073	238,675
Taxation	659	2,242	4,393	12,986	2,833
	1,030,036	1,257,271	1,048,014	812,054	605,763
Net current assets	1,203,225	1,067,128	1,177,514	1,254,886	1,469,282
Non current liabilities:					
Bank borrowings	(28,900)	(94,890)	(23,387)	(8,359)	(6,818)
Deferred taxation	(10,374)	(8,991)	(16,687)	(4,132)	(4,855)
Retirement benefit obligations charges	106,750)	(97,948)	(111,873)	(116,037)	(105,371)
	(146,024)	(201,829)	(151,947)	(128,528)	(117,044)
Net assets	2,028,470	1,850,986	1,961,922	2,135,566	2,282,567
Financed by:					
Share capital	1,391,712	1,391,712	1,391,712	1,391,712	1,391,712
Retained earnings	530,689	508,401	627,016	777,864	795,463
Translation reserve	(33,102)	(49,127)	(56,806)	(34,010)	(43,779)
Proposed dividend	139,171	-	-	-	139,171
Shareholders' funds	**2,028,470**	**1,850,986**	**1,961,922**	**2,135,566**	**2,282,567**

Form of Proxy

I / We ______________________________Of __________________________Being (a) member(s) of Sameer Africa Limited, do hereby appoint____

Or failing him / her, the duly appointed Chairman of the meeting to be my / our proxy, to vote for me / us at the Annual general Meeting of the company to be held at the Company's premises off Mombasa Road, Nairobi, on the 16th April 2010, at 1 1.30 am and any adjournment thereof.

As witness my/our hand(s) this _______________day of_______________2010

Signature____

Unless otherwise indicated,the proxy will vote as he/she thinks fit

Notes:

1. To be valid this proxy must be deposited at the registered office of the company not less that 24 Hours before the appointed time for holding the meeting
2. This appointer is a corporation,the proxy must be executed under its common seal or under the hands of an officer or attorney duly authorized in writing

Fomu ya Uwakilishi

au akikosa yeye,mwenyekiti wa mkutano aliyechaguliwa kuwa kama mwakilishi wangu / wetu,kupiga kura kwa niaba yangu / yetu kwenye mkutano wa mwaka wa kampuni utakaofanyika katika majengo ya kampuni, kando ya Mombasa Road, Nairobi, siku ya tarehe 16 Aprili 2010 saa tano na nusu asubuhi na kwenye uahishwaji wake wowote

Kama ushaidi wangu/wetu hii siku ya _______________mwezi wa_______________2010

Sahihi____

Isipokuwa ikishauriwa vingine, mwakilishi atapiga kura anavyofikiria mwenyewe

Maelezo:

1. Ilikuwa halali,fomu hii ya uakilishi lazima ifikishwe kwenye afisi ilioandikishwa kwa muda usiopunguwa masaa ishirini na nne kabla ya wakati uliochaguliwa kufanya mkutano
2. Ikiwa mwanachama ni shirika, uwakilishi uwe kwenye muhuri wa kawaida au kwa idhini ya afisaa au mwanasheria alioidhinishwa kwa maandishi

FOLD

To The Company Secretary
Sameer Africa Limited
P. O. Box 30429 - 00100
Nairobi, Kenya

FOLD

sameerafrica
WE'LL TAKE YOU THERE