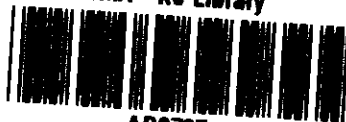


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1. Bamburi Cement Industry -- Periodicals
2. Bamburi Cement Industry - Kenya - Periodicals

Group Profile

Bamburi Cement Limited (formerly Bamburi Portland Cement Company Limited) manufactures cement at its wholly owned plant situated 12 kilometers north of Mombasa. The facility has a capacity of 1.3 million tons per annum and is the second largest cement factory in sub-Saharan Africa. The company is one of the largest manufacturing export earners in Kenya and exported 39% of its production in 1995.

The company is mainly foreign owned and is indirectly controlled by Lafarge of France and Blue Circle PLC of the U.K. The former, which is the second largest cement group in the world, provides technical and management



assistance to the company in association with its subsidiary, Cementia Holding A.G. of Zurich.

Bamburi has invested in various locally incorporated companies whose activities are indirectly related to its own.

Baobab Farm Limited, whose main activity is the rehabilitation of Bamburi's used quarries, is a wholly owned subsidiary of the company. Baobab Farm Limited also manages a nature park and conducts various farming activities, including forestry and aquaculture, in the rehabilitated quarries.

Simbarite Limited, in which the company has a 37% holding, manufactures various fibre cement products, particularly roofing sheets.

Diani Estate Limited, is a non-trading wholly owned subsidiary of the company, which owns valuable coral land approximately 10 kilometres south of Mombasa.

Kenya Cement Marketing Limited, in which the company owns 50% of the equity, was engaged in the marketing of cement but has not traded since the last quarter of 1994.

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Statement



continued economic growth and real improvement in the standard of living of the average Kenyan are good. The likelihood is that this will translate into a further increase in cement demand over the next few years. The same may be said for the regional economies to which Bamburi exports.

Cement capacity is expected to increase by 25% with the commissioning of two new factories in Kenya by our competitors. Other cement plants in the East African region are also being rehabilitated to improve their efficiencies and output. And there is an ever increasing threat of imports from Asia.

The power situation, which is a subject I touched on in my last report, remains of considerable concern to the company. We had a record number of power interruptions during the year. The demand for electricity, from a growing economy, is increasing yet there is no evidence of any new generating capacity coming on stream in the next two years. In the medium term, therefore, I can only expect the situation to get worse.

THE WAY AHEAD

In the years that lie ahead, Bamburi will seek to develop its business and improve its performance in relation to an expanding and competitive economy. Bamburi has already taken certain initiatives to this end and I would like to highlight a few:

- in 1996 Bamburi will successfully conclude its first Three Year Technical Programme which will increase our capacity to 1.4 million tons of cement per annum by the end of the year and reduce our production costs
- the company has also embarked on an exercise to improve productivity through the reorganisation of work (including multi-skilling) and training of all labour
- in anticipation of increasing competition the company is investing more in improving its marketing activities, customer service and its corporate image and
- finally the Board recently approved the construction of a new 1 million ton per annum clinker grinding plant near Nairobi. The plant will, by virtue of its proximity to some of our raw materials and the main markets, help to further reduce production costs and strengthen our competitiveness. I also expect that the project, which will be completed towards the end of 1997 at a cost of approximately KShs. 2 billion, will increase the company's overall cement capacity.

I am confident that Bamburi is well placed to consolidate its competitive position in the future.

APPRECIATION

1995 was a good year for Bamburi, and I am grateful to my colleagues, our customers and suppliers who have contributed so much to our progress. On behalf of the shareholders and the Board, I would also like to thank the management and staff of Bamburi for their enormous efforts in 1995. It is because of their commitment and our company's strong position, that we face the future with confidence.

T.C.J. RAMTU

Financial Highlights

	1995 K€000	1994 K€000	% Change
OPERATING RESULTS			
Turnover	265,733	211,709	+26
Operating profit	56,295	36,973	+52
Financial income-exchange earnings and interest	9,946	(10,805)	
Profit before tax	66,241	26,168	+153
Cash generated by trading operations excluding financial income	83,039	32,111	+158
FINANCIAL POSITION			
Working capital - inventories and debtors minus creditors	50,313	60,314	-17
Shareholders' equity - including additional revaluation surplus of K€ 268,973,000 in 1995	493,996	201,613	+145
ORDINARY SHARE PERFORMANCE - KSHS/SHARE (Calculated on 161,294,300 ordinary shares for both years)			
Earnings	4.22	1.30	+225
Dividends	1.31	0.81	+63
Net asset value	61.4	25.1	+145
FINANCIAL STATISTICS			
Operating margin	21.2%	17.5%	
Return on shareholders' funds	6.9%	5.2%	
Dividend cover	3.2 times	1.6 times	

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Review of Operations

Operating profit before exchange and interest income increased by 52% over 1994, to KES 56 million. The improvement in trading results is largely because of a sharp increase in domestic demand, better dollar earnings from exports and a relatively stable cost base.

SALES AND REVENUE

Domestic per capita consumption of cement increased by 21% to 40kg in 1995 compared with a previous peak of 47kg in 1992. Total domestic consumption increased by 23% to 1,043,000 tons of which Bamburi's share was 773,000 tons (1994: 541,000 tons) representing an increase of 10% in our share of the local market. The only other cement producer in the country, East African Portland Cement Company Limited, sold 271,000 tons (1994: 307,000 tons) in the local market.



74% of domestic market share

Our selling price in Kenya remained unchanged for most of the year. Consequently domestic revenue per ton of cement in 1995 was the same as in 1994.

The large increase in Bamburi's sales within Kenya meant that there was less tonnage available for export. However, demand in the traditional export markets remained strong and the company was able to increase its export price, which more than compensated for the reduction in export volumes. As a result export dollar revenues were higher than in 1994. But the yield on conversion to Kenya currency was adversely affected by a strong shilling such that export revenues in local currency were lower than the year before.

Overall the increase in revenues over 1994 is due mainly to the increase in our sales in the domestic market.

FINANCIAL INCOME

The company's cash surplus increased during the year and continued to be held in high quality short term foreign currency assets. Net interest income amounted to KES 2.1 million during the year. And the company recognised exchange gains of KES 7.8 million on its foreign currency assets which just about offset the exchange loss incurred in the previous year.

CAPITAL INVESTMENTS

Investing activities principally comprised the purchase of additional raw material reserves, fairly close to the existing plant, for KES 9.7 million.

PRODUCTION

Cement production reached a record of 1,287,000 tons (1994: 1,157,000 tons). This was the second year of an ongoing 3 year Technical Programme to improve productivity. During the year the company made further progress in increasing the use of coal instead of more expensive fuel oil and improving plant running times.

- Most notable however, was the increase in the plant's capacity by 8% from 1.2 million tons to 1.3 million tons, primarily through better management of our production process.

OPERATING COSTS

The company benefitted from the relatively low level of domestic inflation during the year. Secondly our technical efforts to improve efficiencies helped to contain production costs as did our increasing use of cheaper inputs, particularly coal as opposed to fuel oil. However, the cost of imported inputs increased

in Kenya currency terms because of the shilling's depreciation. Power interruptions were more than in 1994, which adversely affected production and production costs.

The net effect of these factors is that production costs were well contained and increased by 10% over 1994.

SUBSIDIARY COMPANIES

Simbarite Limited

Turnover increased by only 7% over the previous year to KES 5.6 million. Despite an upturn in the building and construction sector, industrial buildings activity remained low. Price competition was also particularly fierce in the industrial buildings sector, which is Simbarite's main market. The company will continue to focus on rationalising its product range and increasing its marketing efforts.

Baobab Farm Limited

There was only a marginal improvement of 3% in turnover. The Quarry Nature Park was further developed and in 1995 received 110,000 paying visitors (1994: 101,000). The farm is also expanding its forestry activities and during the year added ostriches to its game farm.

ENVIRONMENT

The cement industry consumes large quantities of raw materials and their extraction inevitably has a large impact on the environment. Furthermore the handling of these materials and their conversion into cement creates various additional environmental considerations, particularly in the form of dust emissions.

Our success in rehabilitating our quarries is well known and continues apace. Within the factory various actions are being taken to reduce dust emissions, improve employee awareness of environmental matters and strive to progressively meet world standards, as we already do in our quarry rehabilitation work.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of the Ordinary Shareholders of Bamburi Cement Limited will be held at Nyali Beach Hotel, Malaika Room on Friday 12th April 1996 at 10.00 a.m. for the following purposes:

1. To confirm the minutes of the 44th Annual General Meeting.
2. To confirm the minutes of the Extraordinary General Meeting held on 22nd November 1995.
3. To receive the Chairman's Statement.
4. To receive the Report of the Directors and the Audited Accounts for the year ended 31st December 1995.
5. To consider and if thought appropriate, pass the proposed resolutions set out on page 9 increasing the authorised share capital of the Company and authorising a Bonus Issue of one ordinary share for every two ordinary shares held.
6. To declare dividends.
7. To approve Directors' fees for 1996.
8. To authorise the Directors to fix the remuneration of the auditors for 1996.
9.
 - a) To consider the re-election of Directors retiring by rotation, who, being eligible, offer themselves for re-election: Messrs. S.M. Bates, S.W. Karanja, B.K. Kipkulei, J.C. Kulei.
 - b) To elect Messrs. D.F.G. Lovett, S.W. Muindi, R.M. Thyaka, who were appointed Directors after the last Annual General Meeting.
 - c) To re-elect Mr. T.C.J. Ramtu who is over the age of 70, as a Director.
10. To transact any other competent business.

By Order of the Board

J.K. Ngunjiri
Secretary

20th March 1996



A member entitled to attend and vote at the above meeting is entitled to appoint a proxy, who need not be a member of the Company, to attend and vote in his or her stead. Proxy forms must be lodged at the registered office of the Company, P.O. Box 90202, Mombasa not less than 48 hours before the time of the meeting. A form of Proxy is provided at the end of this report.

Resolutions to be considered at the 45th Annual General Meeting

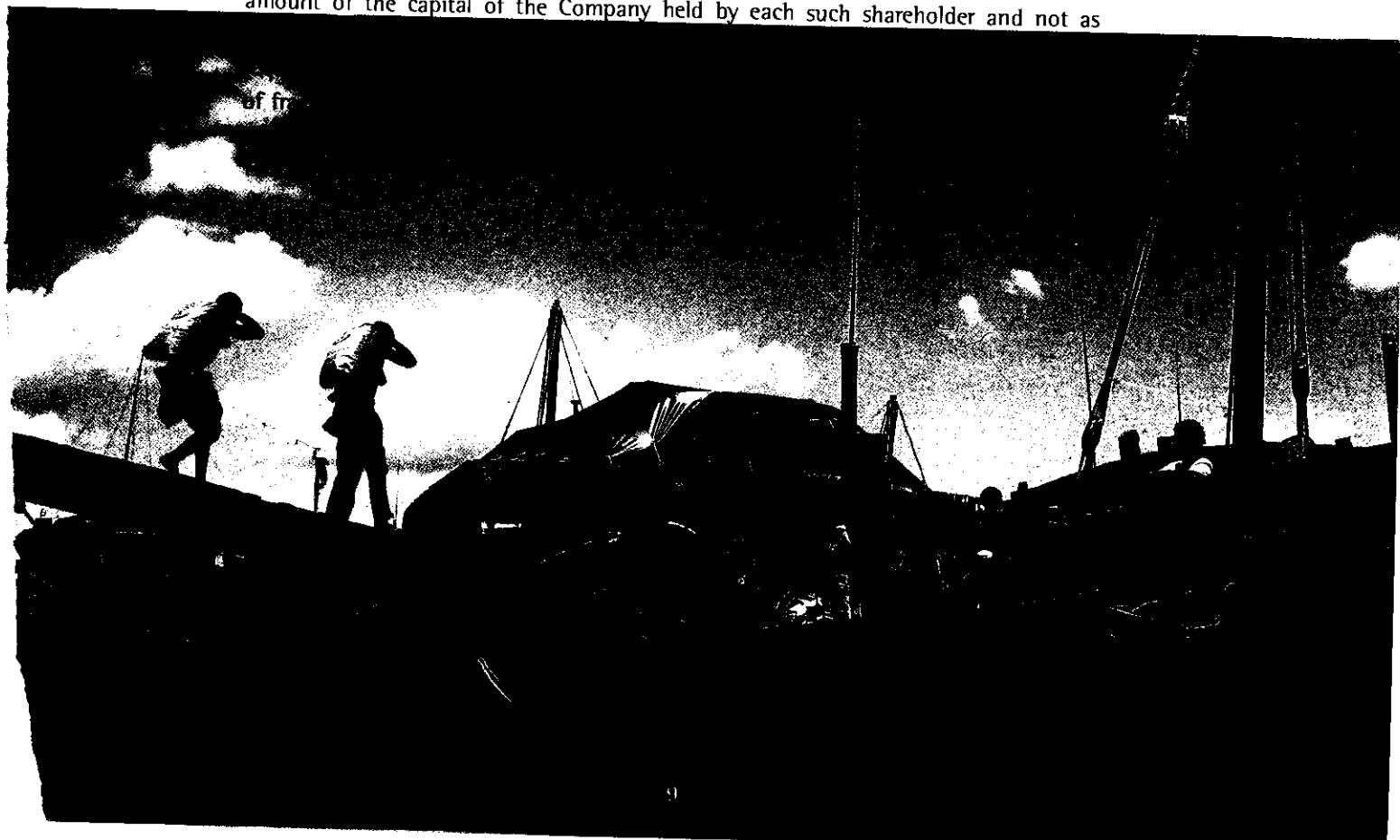
1. SPECIAL RESOLUTION - INCREASE IN SHARE CAPITAL

That the authorised share capital of the Company be increased from KE 41,300,000 to KE 61,500,000 by the creation of an additional 80,800,000 ordinary shares of KShs. 5.00 each ranking pari passu as regards dividends and in all other respects with the existing 164,800,000 ordinary shares of the Company.

2. ORDINARY RESOLUTION - CAPITALISATION OF RESERVES

That subject to the necessary consents being obtained from the Central Bank of Kenya and Capital Markets Authority and in accordance with articles 129 and 130 of the Company's Articles of Association and upon the recommendation of the Board it is desirable to capitalise the sum of KE 20,161,788 being part of the sum standing to the credit of the share premium account and the profit and loss account, at 31st December 1995 and accordingly, that such sum be capitalised and the Board of Directors be and is hereby authorised and directed to appropriate the said sum to the members registered on 11th March 1996 as holders of ordinary shares in the company in the proportion in which such sum would have been divided amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf in paying up in full at par 80,647,150 unissued ordinary shares of KShs. 5.00 each of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion of one new ordinary share for every two ordinary shares held by them respectively, such fully paid shares to rank equally with the existing issued ordinary shares for all dividends declared after the passing of this resolution and the shares so distributed shall be treated for all purposes as an increase of the amount of the capital of the Company held by each such shareholder and not as

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Directorate & Administration

EXECUTIVE DIRECTORS

G.C.D. Groom, Managing Director - Appointed Managing Director on 1st January 1995

F. Barrow, Works Director

J. Kimanathi, Personnel Director

J.M. Shiganga, Finance Director - Appointed on 1st January 1995

R.M. Thyaka, Commercial Director - Appointed on 15th June 1995

NON EXECUTIVE DIRECTORS

T.C.J. Ramtu, (E.B.S.), Chairman

S.M. Bates

R. Brenneisen, (M.B.S.), Retired on 6th December 1995

K.W. George, alternate P. Overment

J.C. Hillenmeyer

A.J. Jackson, (C.B.E.), Retired on 26th September 1995

S.W. Karanja

B.K. Kipkulei, (E.B.S.), alternate G.M. Mitine

J.C. Kulei

D. Lovett, Appointed on 26th September 1995

S.W. Muindi, Appointed on 15th February 1996

SECRETARY

J.K. Ngunjiri

REGISTERED OFFICE

Malindi - Mombasa Road

P.O. Box 90202, Mombasa

REGISTRARS

Chunga Associates, P.O. Box 41968, Nairobi

AUDITORS

Price Waterhouse, P.O. Box 41968, Nairobi

BANKERS

Barclays Bank of Kenya Limited,

Nkrumah Road Branch,

P.O. Box 90182,

Mombasa

ABN-Amro Bank,

Nkrumah Road,

P.O. Box 90230,

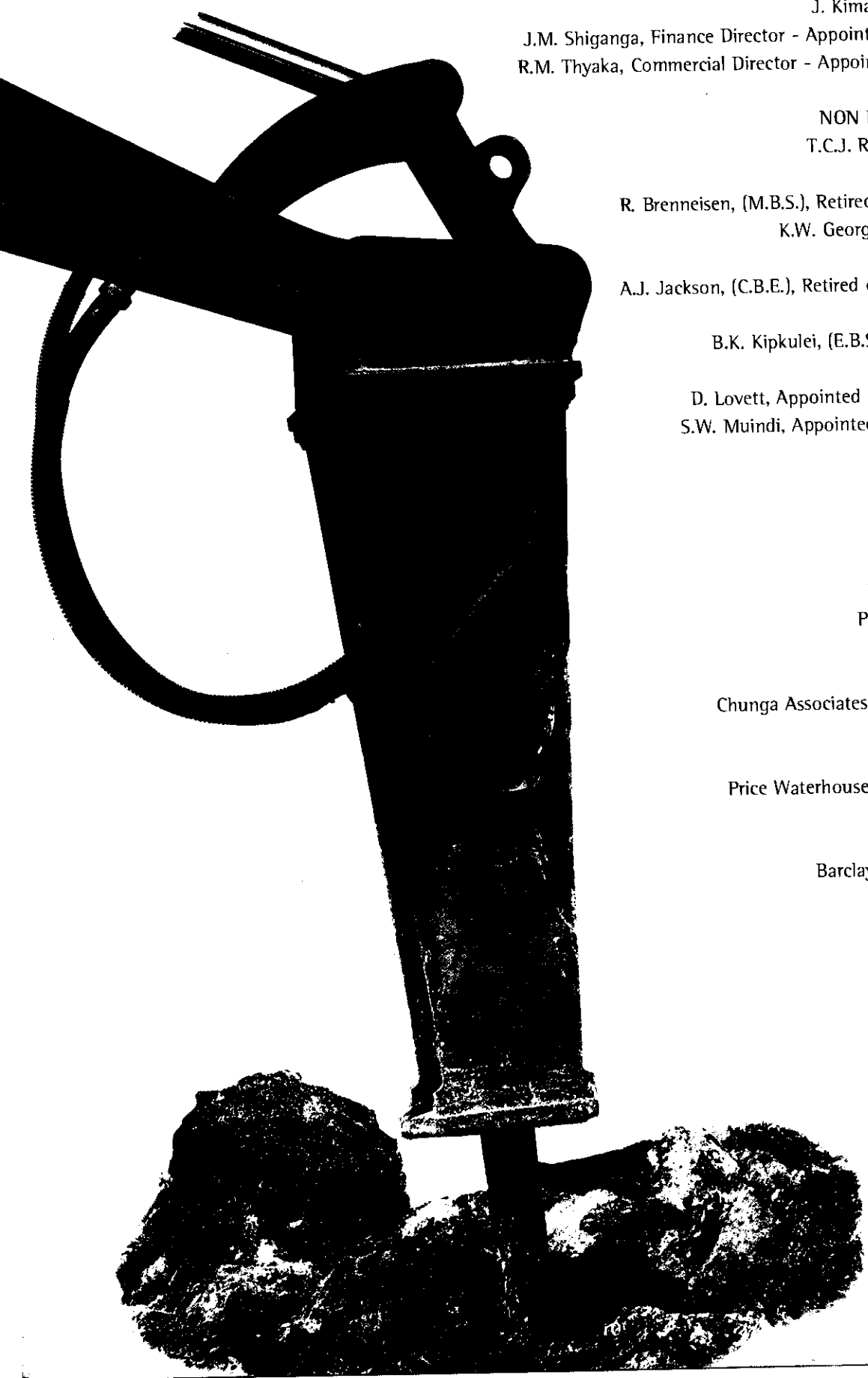
Mombasa

Citibank N.A.,

Nyerere Avenue,

P.O. Box 83615,

Mombasa



Report of the Directors

The directors submit their report together with the audited accounts for the year ended 31st December 1995 which disclose the state of affairs of the company.

CHANGE OF NAME

During the year the company changed its name from Bamburi Portland Cement Company Limited to Bamburi Cement Limited.

PRINCIPAL ACTIVITIES

Bamburi Cement Limited is primarily engaged in the manufacture and sale of cement whilst the activities of its subsidiaries are described in the Group Profile.

PROFIT AND DIVIDENDS

Net profit attributable to shareholders for the year to 31st December 1995 increased from KSh. 10.4 million to KSh. 34 million.

An interim dividend of 7.5% was paid on 15th August 1995. The directors have resolved to recommend to the shareholders to increase the issued and fully paid share capital from 161,294,300 ordinary shares of KSh. 5 each to 241,941,450 ordinary shares of KSh. 5 each by issuing bonus shares in the ratio 1:2 from the sum standing to the credit of the share premium account and profit and loss account and subsequently to declare a final dividend of 12.5% per ordinary share on the increased share capital. If approved at the annual general meeting the bonus shares and final dividend will be distributed and paid on or about 15th April 1996 to ordinary shareholders registered at the close of business on 11th March 1996. Profit retained for the year amounts to KSh. 23.4 million.

DIRECTORATE

The names of the directors who held office during the year and present directors are set out on page 10.

AUDITORS

Price Waterhouse are willing to continue in office in accordance with section 159(2) of the Companies Act.

By order of the Board

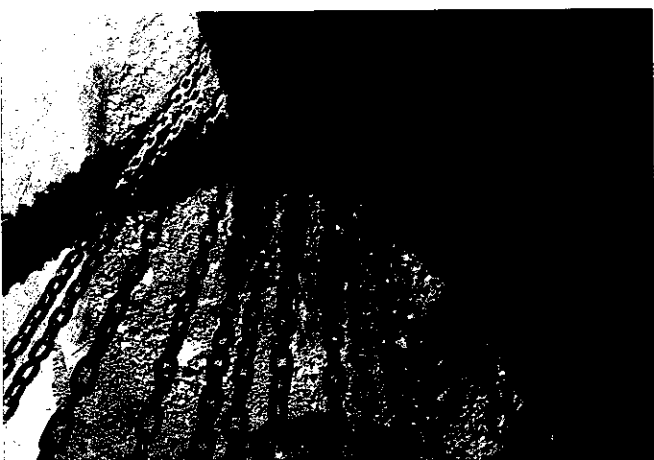
J.K. Ngunjiri
Company Secretary

15th February 1996

Report of the Independent Auditors to the Members of Bamburi Cement Limited

1. We have audited the financial statements set out on pages 13 to 24 which have been prepared on the basis of the accounting policies set out on page 17. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and to provide a reasonable basis for our opinion. The financial statements are in agreement with the books of account.
2. Under the provisions of the Companies Act, the directors are responsible for the preparation of financial statements which give a true and fair view of the company's state of affairs and its operating results. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.
3. We conducted our audit in accordance with Kenyan Auditing Standards. Those Standards require that we plan and perform our audit to obtain reasonable assurance that the accounts are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements.
4. In our opinion proper books of account have been kept and the financial statements give a true and fair view of the state of the company's financial affairs at 31 December 1995 and of the results of its operations and its cash flows for the year then ended in accordance with Kenyan Accounting Standards and comply with the Companies Act.

PRICE WATERHOUSE
Certified Public Accountants
Nairobi
15 February 1996

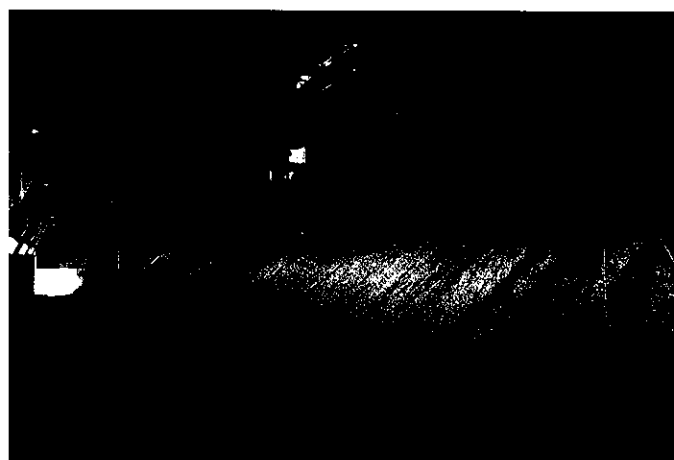


Consolidated Profit and Loss Account

[year ended 31st December 1995]

	<u>Notes</u>	<u>1995</u> <u>KE '000</u>	<u>1994</u> <u>KE '000</u>
TURNOVER		265,733	211,709
PROFIT BEFORE TAX	2	66,241	26,168
Tax	3	(32,142)	(15,888)
PROFIT AFTER TAX		34,099	10,280
Transfer from revaluation reserve	4	-	345
		34,099	10,625
Profit attributable to minority shareholders		(106)	(178)
Profit attributable to shareholders (of which KE 32,459,000 (1994: KE 10,151,000) has been dealt with in the accounts of the holding company)		33,993	10,447
Dividends on ordinary shares	5	(10,584)	(6,552)
PROFIT RETAINED FOR THE YEAR		23,409	3,895
		<u>KShs</u>	<u>KShs</u>
Earnings per share	6	4.22	1.30

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Consolidated Balance Sheet

[as at 31st December 1995]

	Notes	1995 KE '000	1994 KE '000
CAPITAL EMPLOYED			
Ordinary share capital	7	40,323	20,161
Capital redemption reserve fund	8	100	100
Share premium account	8	682	682
Revaluation reserve	8	428,090	159,117
Profit and loss account	8	24,801	21,553
		<hr/>	<hr/>
SHAREHOLDERS' INTEREST		493,996	201,613
MINORITY INTEREST	9	1,119	1,015
		<hr/>	<hr/>
		495,115	202,628
		<hr/>	<hr/>
FIXED ASSETS	10	391,702	135,871
CAPITAL WORK IN PROGRESS	11	6,237	-
INVESTMENTS	12	60	62
		<hr/>	<hr/>
		397,999	135,933
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories	13	52,933	62,504
Debtors	14	23,767	24,016
Deposits, bank and cash balances		74,044	16,936
		<hr/>	<hr/>
		150,744	103,456
		<hr/>	<hr/>
CURRENT LIABILITIES			
Bank overdraft	15	2,167	3,147
Creditors	16	26,387	26,206
Tax		17,262	637
Dividends		7,812	6,771
		<hr/>	<hr/>
		53,628	36,761
		<hr/>	<hr/>
NET CURRENT ASSETS		97,116	66,695
		<hr/>	<hr/>
		495,115	202,628
		<hr/>	<hr/>

The accounts on pages 13 to 24 were approved by the Board of Directors on 15 February 1996 and signed on its behalf by:

G C D Groom }
J M Shiganga } Directors

Company Balance Sheet

[as at 31st December 1995]

	Notes	1995 K£ '000	1994 K£ '000
CAPITAL EMPLOYED			
Ordinary share capital	7	40,323	20,161
Capital redemption reserve fund	8	100	100
Share premium account	8	682	682
Revaluation reserve	8	428,090	159,117
Profit and loss account	8	23,802	20,836
SHAREHOLDERS' INTEREST		492,997	200,896
FIXED ASSETS			
FIXED ASSETS	10	390,260	134,700
CAPITAL WORK IN PROGRESS	11	6,237	-
INVESTMENTS	12	857	859
		397,354	135,559
CURRENT ASSETS			
Inventories	13	50,417	59,980
Debtors	14	22,891	23,568
Deposits, bank and cash balances		73,912	16,817
		147,220	100,365
CURRENT LIABILITIES			
Bank overdraft	15	1,362	2,487
Creditors	16	25,380	25,462
Tax		17,214	499
Dividends		7,621	6,580
		51,577	35,028
NET CURRENT ASSETS		95,643	65,337
		492,997	200,896

The accounts on pages 13 to 24 were approved by the Board of Directors on 15 February 1996 and signed on its behalf by:

G C D Groom }
J M Shiganga } Directors

Consolidated Cash Flow Statement

[year ended 31st December 1995]

	1995 K£ '000	1994 K£ '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	66,241	26,168
Adjustments for:		
Depreciation	27,624	16,117
Profit on sale of fixed assets	(312)	(98)
Profit on sale of investments	(17)	-
Unrealised foreign exchange (gain)/loss on cash and cash equivalents	(2,709)	310
Interest income	(2,305)	(496)
Interest expense	160	2,634
Realised foreign exchange (gain)/loss	(461)	997
	<hr/>	<hr/>
Operating profit before working capital changes	88,221	45,632
Decrease/(Increase) in debtors	583	(3)
Decrease in stock	9,571	8,651
Increase/(Decrease) in creditors	181	(344)
	<hr/>	<hr/>
Cash generated from operations	98,556	53,936
Income taxes paid	(15,517)	(21,825)
	<hr/>	<hr/>
Net cash from operating activities	83,039	32,111
	<hr/>	<hr/>
RETURN ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	1,970	496
Interest paid	(160)	(2,634)
Dividends paid	(9,543)	(4,022)
Realised foreign exchange gain/(loss)	461	(997)
	<hr/>	<hr/>
Net cash from investments and servicing of finance	(7,272)	(7,157)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(415)
Investment in capital work in progress	(6,237)	-
Purchase of fixed assets	(14,545)	(6,181)
Proceeds from sale of equipment	375	185
Proceeds from sale of investments	19	-
	<hr/>	<hr/>
Net cash from investing activities	(20,388)	(6,411)
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,379	18,543
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13,789	(4,444)
EFFECT OF EXCHANGE RATE CHANGES	2,709	(310)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	71,877	13,789
	<hr/> <hr/>	<hr/> <hr/>

Accounting Policies

[year ended 31st December 1995]

1. ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention, as modified to include the revaluation of certain fixed assets and the computation of related depreciation.

2. TURNOVER

Turnover represents the net ex-factory value of goods supplied to customers and is accounted for when those goods are despatched.

3. TRANSLATION OF FOREIGN CURRENCIES

Transactions during the year are converted into Kenya shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Kenya shillings at rates ruling at that date. The resulting differences are dealt with in the profit and loss account.

4. INVENTORIES

Inventories of consumables and spare parts are stated at cost less provision for obsolete and slow-moving items. All other inventories are stated at the lower of cost and net realisable value. Cost includes direct costs and appropriate overheads.

5. FIXED ASSETS

Fixed assets are stated at 1995 professional revaluation with subsequent additions at cost, less depreciation. Office equipment and tools are stated at cost, less depreciation.

6. DEPRECIATION

Depreciation is charged from the year of valuation or subsequent purchase in equal annual instalments over the estimated remaining useful lives of the assets at the following rates:-

Freehold land	Nil
Leasehold land	Period of lease
Buildings, plant and machinery	2.5% - 12.5%
Equipment and mobile plant	10% - 33.3%

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7. DEFERRED TAX

Provision is made for deferred tax when the directors consider that tax reductions, resulting principally from the excess of wear and tear allowances over the corresponding charge for depreciation, will reverse in the foreseeable future.

Deferred tax arising on the revaluation of fixed assets is only provided if, in the opinion of the directors, the assets are likely to be disposed of in the foreseeable future.



Notes to the Accounts

[year ended 31st December 1995]

1. BASIS OF CONSOLIDATION

The consolidated accounts include the accounts of Bamburi Cement Limited and those of its subsidiaries, Simbarite Limited and Baobab Farm Limited. The amounts for the subsidiary companies are based on unaudited management accounts. This is the first year for which consolidated accounts have been presented. The comparative figures have been restated on a consolidated basis.

2. GROUP PROFIT BEFORE TAX

	1995 <u>KE '000</u>	1994 <u>KE '000</u>
Profit before tax is arrived at after charging:		
Directors' emoluments:		
Fees	74	53
Remuneration for management services	1,250	1,077
Auditors' remuneration	120	103
Depreciation	27,624	16,117
Interest payable	160	2,634
Exchange losses/(gains)	(7,801)	8,667
Provision for restructuring costs	5,565	-
and after crediting:		
Interest receivable	2,305	496

The company plans to restructure certain aspects of its business beginning in 1996. The provision for restructuring costs of KE 5,565,000 relates to retrenchment costs expected to be incurred by the company during this restructuring.

3. TAX

The effective tax rate for the year of 49% (1994 - 61%) is higher than the statutory rate of 35% (1994 - 37.5%) mainly because additional depreciation arising from the revaluation of fixed assets is not tax deductible.

A deferred tax liability as at 31 December 1995 of KE 100,000 (1994 - KE 900,000) has not been recognised in the accounts because the directors consider that the liability will not crystallise in the foreseeable future.

4. TRANSFER FROM REVALUATION RESERVE

The transfer from revaluation reserve of KE 345,000 in 1994 represents revaluation surplus realised on the disposal of fixed assets.

5. DIVIDENDS ON ORDINARY SHARES

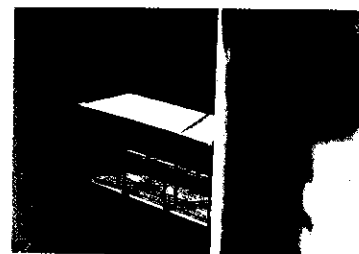
	1995 <u>KE '000</u>	1994 <u>KE '000</u>
Interim declared on 15 June 1995	3,024	1,512
Final proposed on 15 February 1996	7,560	5,040

10,584	6,552
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Payment of the dividends is subject to withholding tax at the rate of 7.5% for resident and 10% for non-resident shareholders.

Notes to the Accounts

[year ended 31st December 1995]



6. EARNINGS PER SHARE

Earnings per share has been calculated based on the profit after tax attributable to shareholders of KE 33,993,000 (1994 - KE 10,447,000) divided by 161,294,300 being the number of ordinary shares in issue at 31 December 1995.

7. SHARE CAPITAL

	1995 KE '000	1994 KE '000
Authorised:		
164,800,000 (1994: 84,000,000)		
Ordinary shares of Kshs 5 each	41,200	21,000
100,000 7% Cumulative Redeemable Preferences Shares of Kshs 20 each	100	100
	41,300	21,100
Issued and fully paid:		
161,294,300 (1994: 80,645,800)		
Ordinary shares of Kshs 5 each	40,323	20,161

8. RESERVES

<u>Group</u>	Capital redemption reserve fund KE '000	Share premium account KE '000	Revaluation KE '000	Profit and loss account KE '000
At 1 January 1995	100	682	159,117	21,553
Bonus issue of shares	-	-	-	(20,161)
Profit retained for the year	-	-	-	23,409
Surplus on revaluation	-	-	268,973	-
At 31 December 1995	100	682	428,090	24,801
<u>Company</u>				
At 1 January 1995	100	682	159,117	20,836
Bonus issue of shares	-	-	-	(20,161)
Profit retained for the year	-	-	-	23,127
Surplus on revaluation	-	-	268,973	-
At 31 December 1995	100	682	428,090	23,802

Notes to the Accounts

[year ended 31st December 1995]

9. MINORITY INTEREST

	1995 <u>KE '000</u>	1994 <u>KE '000</u>
Simbarite Limited:		
Share Capital	693	693
Revenue reserve	426	322
	1,119	1,015

10. FIXED ASSETS

GROUP	Land and residential buildings <u>KE '000</u>	Plant and machinery <u>KE '000</u>	Office equipment and tools <u>KE '000</u>	Mobile plant <u>KE '000</u>	Total <u>KE '000</u>
<u>Cost or valuation</u>					
1 January 1995	18,171	139,559	8,348	11,530	177,608
Additions	9,711	2,706	1,462	666	14,545
Disposals	-	-	(118)	(457)	(575)
Revaluation surplus	26,639	548,911	-	41,061	616,611
31 December 1995	54,521	691,176	9,692	52,800	808,189
<u>Comprising</u>					
Cost	321	676	9,692	-	10,689
Valuation	54,200	690,500	-	52,800	797,500
Total	54,521	691,176	9,692	52,800	808,189
<u>Depreciation</u>					
1 January 1995	2,657	26,192	4,760	8,128	41,737
Reclassification	(1,168)	1,168	-	-	-
Adjusted on revaluation	(1,482)	325,272	-	23,848	347,638
Charge for the year	543	20,748	1,053	5,280	27,624
On disposals	-	-	(56)	(456)	(512)
31 December 1995	550	373,380	5,757	36,800	416,487
<u>Net book amount</u>					
31 December 1995	53,971	317,796	3,935	16,000	391,702



Notes to the Accounts

[year ended 31st December 1995]



10. FIXED ASSETS (CONTINUED)

COMPANY	Land and residential buildings KE '000	Plant and machinery KE '000	Office equipment and tools KE '000	Mobile plant KE '000	Total KE '000
Cost or valuation					
1 January 1995	17,850	138,883	6,077	11,530	174,340
Additions	9,711	2,706	806	666	13,889
Disposals	-	-	(24)	(457)	(481)
Revaluation surplus	26,639	548,911	-	41,061	616,611
31 December 1995	54,200	690,500	6,859	52,800	804,359
Comprising					
Cost	-	-	6,859	-	6,859
Valuation	54,200	690,500	-	52,800	797,500
Total	54,200	690,500	6,859	52,800	804,359
Depreciation					
1 January 1995	2,650	25,740	3,122	8,128	39,640
Reclassification	(1,168)	1,168	-	-	-
Adjusted on revaluation	(1,482)	325,272	-	23,848	347,638
Charge for the year	542	20,720	749	5,280	27,291
On disposals	-	-	(14)	(456)	(470)
31 December 1995	542	372,900	3,857	36,800	414,099
Net book amount					
31 December 1995	53,658	317,600	3,002	16,000	390,260

The fixed assets of the company were revalued during the year by the following:

Land and residential buildings

Burn and Fawcett (Chartered Surveyors and Valuers)

Civil works (included in plant and machinery above)

Armstrong and Duncan (Registered Quantity Surveyors and Building Economists)

Electrical and mechanical installations

Internally using data provided by the engineering and consulting division of Cementia Holding A.G. (which is related to Bamburi Cement Limited)

Mobile plant

Internally by the management of Bamburi Cement Limited.

Notes to the Accounts

[year ended 31st December 1995]

10. FIXED ASSETS (CONTINUED)

Land and residential buildings were valued on a depreciated reinstatement cost basis. The other valuations were on a replacement cost basis. Based on the directors' estimate of the age and residual useful lives of these assets, the accumulated depreciation has been adjusted to reflect the depreciated replacement cost of the assets. The increase in net carrying value as a result of the revaluation has been credited to revaluation reserve.

Were the company's fixed assets to be sold at their revalued amounts, a tax liability of K£ 94 million would arise which has not been provided for in these accounts.

11. CAPITAL WORK IN PROGRESS

Capital work in progress relates to rehabilitation of production facilities which are expected to be commissioned in 1996. No depreciation has been charged on these assets.

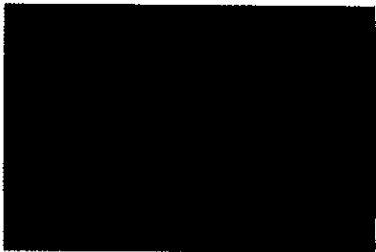
12. INVESTMENTS

			GROUP		COMPANY	
	1995 % of holding	1994 % of holding	1995 K£ '000	1994 K£ '000	1995 K£ '000	1994 K£ '000
Boabab Farm Ltd	100	100	-	-	261	261
Diani Estate Ltd	100	100	60	60	60	60
Simbarite Ltd	37	37	-	-	536	536
Kenya Cement Marketing Ltd	50	50	-	-	-	-
Portland Mines Ltd	50	50	-	-	-	-
EA Portland Cement Ltd	-	-	-	2	-	2
			60	62	857	859

The accounts of Diani Estate Limited, Kenya Cement Marketing Limited and Portland Mines Limited have not been consolidated because these companies did not trade during the year. Simbarite Limited has been treated as a subsidiary for the purposes of consolidation on the basis that the company controls the composition of its Board of Directors.

Notes to the Accounts

[year ended 31st December 1995]



13. INVENTORIES

	GROUP		COMPANY	
	1995 KE '000	1994 KE '000	1995 KE '000	1994 KE '000
Consumables and spare parts	35,260	45,958	34,752	45,498
Raw materials and work in progress	7,314	6,549	6,833	5,742
Fuel and packaging	5,890	6,717	5,890	6,717
Finished goods	4,469	3,280	2,942	2,023
	52,933	62,504	50,417	59,980

Based on past experience, it is likely that not more than 50% by value of consumables and spare parts, which include items held for emergency use, will be used within twelve months of the balance sheet date.

14. DEBTORS

	GROUP		COMPANY	
	1995 KE '000	1994 KE '000	1995 KE '000	1994 KE '000
Trade debtors	19,723	18,893	19,123	18,781
Other debtors and prepaid expenses	4,044	5,123	3,768	4,787
	23,767	24,016	22,891	23,568

15. BANK OVERDRAFT

The bank overdraft is secured by a debenture over the book debt and inventories of the company.

16. CREDITORS

	GROUP		COMPANY	
	1995 KE '000	1994 KE '000	1995 KE '000	1994 KE '000
Trade creditors	13,792	17,439	12,882	17,195
Other creditors and accrued expenses	7,030	8,767	6,933	8,267
Provision for restructuring costs	5,565	-	5,565	-
	26,387	26,206	25,380	25,462

Notes to the Accounts

[year ended 31st December 1995]

17. CAPITAL COMMITMENTS

Capital expenditure authorised and committed at 31 December 1995 amounted to K£ 2,082,000 (1994 - K£ 9,025,000).

18. CONTINGENT LIABILITIES

There are contingent liabilities in respect of guarantees totalling K£ 519,000 (1994 - K£ 136,000).

19. RELATED PARTY TRANSACTIONS

	Sales volume		Owed by related companies	
	1995 %	1994 %	1995 K£ '000	1994 K£ '000
Subsidiaries	-	20	544	(164)
Associates of one of the shareholders	29	39	8,172	4,077
	29	59	8,716	3,913

In the normal course of business the group sells cement to an associate of one of its shareholders.

The company receives technical assistance from another associate of one of the shareholders, which is paid for under a five year agreement.

20. CURRENCY

The accounts are presented in Kenya currency. The symbol K£ represent twenty Kenya Shillings (KShs.).

21. HOLDING COMPANY

The company's holding company is Bamcem Holdings Limited which is incorporated in the Channel Islands.

22. INCORPORATION

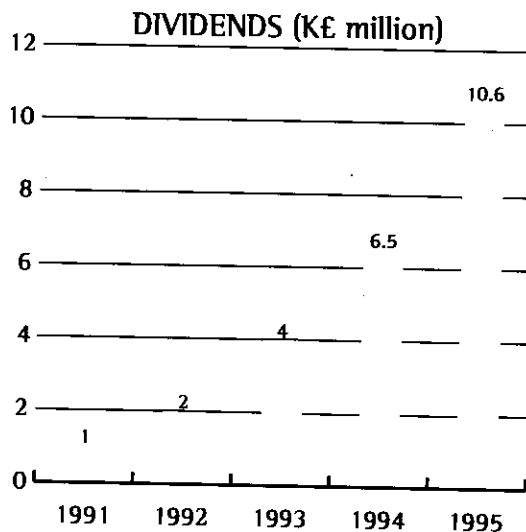
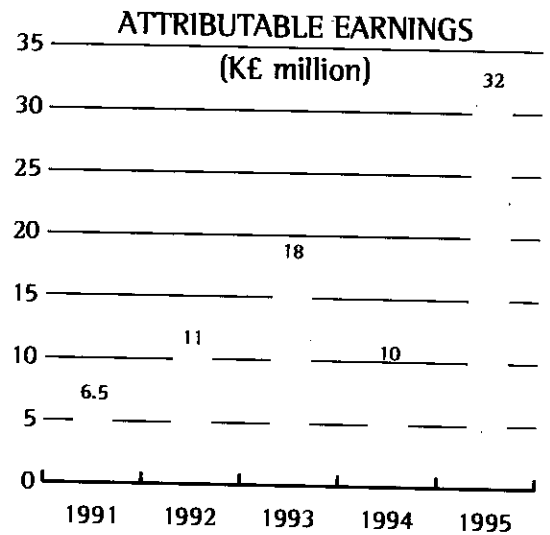
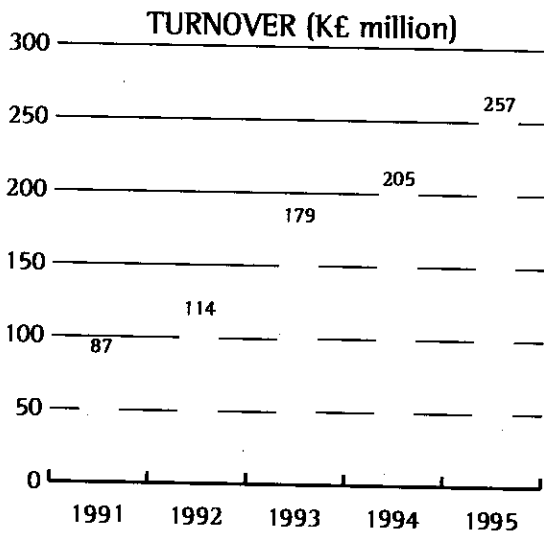
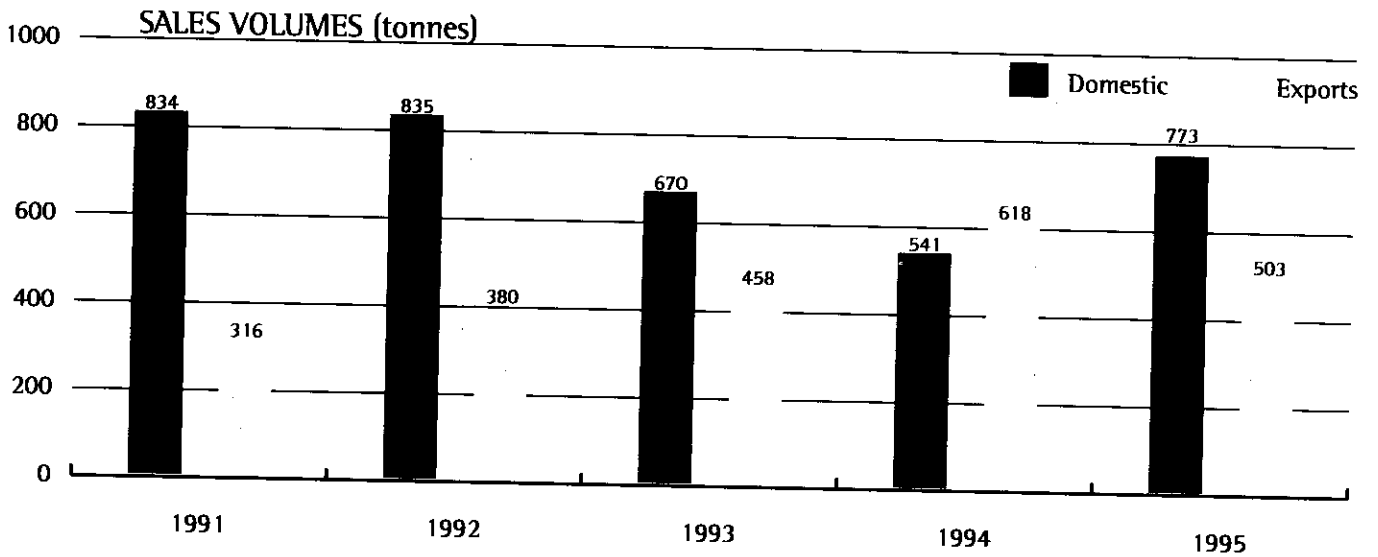
The company is incorporated in Kenya under the Companies Act.

Shareholder Information

Major shareholders with shareholding greater than 0.5%

Shareholder	No. of shares 31-12-95	% of issued share capital	
		31-12-95	31-12-94
Bamcem Holdings Ltd	118,178,664	73.3	73.3
Board of Trustees, NSSF	25,472,968	15.8	15.8
Baloobhai Chotabhai Patel	3,181,370	2.0	2.0
Barclaytrust Investment	2,505,296	1.6	1.2
Insurance Co. of East Africa	1,320,000	0.8	0.8
Kenya Reinsurance Corporation	1,215,888	0.7	0.7
South African Mutual Life	-	-	0.6
Old Mutual Insurance Co.	1,043,440	0.6	-
Others	8,376,674	5.2	5.6
Total	161,294,300	100	100

Five Year Company Performance Graphs



Proxy

The Secretary,
(Proxy Form),
P. O. Box 90202,
MOMBASA,
Kenya

I/We.....

of.....

a member of Bamburi Cement Limited hereby appoint

.....

of.....

or in his place THE CHAIRMAN OF THE MEETING as my/our proxy and/or representative, to vote at his discretion for me/us and on my/our behalf at the Annual General Meeting, to be held on Friday 12th April 1996 and at every adjournment thereof.

AS WITNESS my/our hands this.....day of.....1996.

(Usual Signature)

Proxy forms must reach the Registered Office of the Company by 10am Wednesday 10th April 1996.

