CARBACID INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

CO_2

Certification

Awarded to

CARBACID (CO_2) LIMITED

P.O. BOX 30564-00100,
NAIROBI, KENYA.

BVQI certify that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

Standard

ISO 9001:2000

Scope of supply

PRODUCTION OF LIQUID CARBON DIOXIDE, DRY ICE AND WET ICE

Original Approval Date: **19TH JULY 2006**

Subject to the continued satisfactory operation of the organisation's Management System,

This certificate is valid until: **19TH JULY 2009**

To check this certificate validity please call **(254 20 4450560)**
Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organisation.

Date: **16TH AUGUST 2006**

Certificate Number: **196946**

UKAS
QUALITY MANAGEMENT

008

BVQI (Holding) S.A. using the accreditation certificate number 008

Managing Office: BVQI (Holding) SA, 2nd Floor, Tower Bridge Court,
224-226 Tower Bridge Road, London, SE1 2TX, England
Issuing Office: BVQI (East Africa) P. O. Box 34378, Nairobi, Kenya

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1. Carbacid Investments limited -- Periodicals
2. Gases Industry -- Kenya -- periodicals

Corporate information

DIRECTORS	J M Wanjigi	Chairman
	M K R Shah*	
	R A Shepherd	
	B C Patel	
	*British	
AUDIT COMMITTEE	R A Shepherd	Chairman
	J M Wanjigi	
	M K R Shah	
	B C Patel	

SECRETARY

N P Kothari, FCPS (Kenya)
Certified Public Secretary
Haile Selassie Avenue
P O Box 30633
Nairobi, GPO, 00100

REGISTERED OFFICE

3rd Floor
Comcraft House
Haile Selassie Avenue
P O Box 30633
Nairobi, GPO, 00100

REGISTER OF MEMBERS AND TRANSFER OFFICE

Specialist Corporate Consultants
3rd Floor
Comcraft House
Haile Selassie Avenue
P O Box 30633
Nairobi, GPO, 00100

AUDITORS

Deloitte & Touche
Certified Public Accountants (Kenya)
"Kirungii", Ring Road, Westlands
P O Box 40092
Nairobi, GPO, 00100

BANKERS

CFC Bank Limited
CFC Centre
Chiromo Road
P O Box 72833
Nairobi, City Square, 00200

ADVOCATES

Anjarwalla & Khanna Advocates
P O Box 200
Nairobi, Sarit Centre, 00606

Wainaina Ireri & Co. Advocates
P O Box 42706
Nairobi, GPO, 00100

JAMES MAINA WANJIGI EGH, MSc, MA - CHAIRMAN

Aged 76, Mr Wanjigi who is a Fulbright Scholar, has been a Board member since 1970. He has held very senior cabinet positions in Government and has been a member of International organizations. He is involved in overseeing his family's businesses as well as being involved in various other business and social welfare activities.

R A (TONY) SHEPHERD

Aged 75, Mr Shepherd joined the Group as Managing Director of Carbacid (CO_2) Limited in 1967. He retired as a Managing Director of Carbacid (CO_2) Limited in 2001 and has continued as a non- executive Director. His vast knowledge and experience of the business gained over the years provides the Board with valuable technical guidance.

BALOO C PATEL

Aged 68, Mr Patel joined the Board in 2002. He is a significant shareholder in the Company and has extensive business interests in Kenya. He is also a Director of Pan African Insurance Holdings Limited. His varied business experience brings a wide range of additional skills to the Board.

MUKESH K R SHAH FCCA, CPA (K), CPS (Kenya)

Aged 53, Mr Shah joined the Board in 2002. He is a member of the Institute of Certified Public Accountants of Kenya, the Institute of Certified Public Secretaries of Kenya and a Fellow of the Association of Chartered and Certified Accountants of the UK. He is a former partner of PriceWaterhouse and a director of a leading consultancy firm that specializes in providing strategic and business advisory services to Family Owned Businesses. Mr Shah is substantially a non-executive Director, but has certain specific responsibilities for financial matters of the Group.

notice of meeting

NOTICE IS HEREBY GIVEN that the thirty-seventh Annual General Meeting of the shareholders of Carbacid Investments Limited will be held at Holiday Inn (Palm Room), Parklands Road, Nairobi on Tuesday, 11th December 2007 at 10.00 a.m., for the following purposes:

1 To consider the Directors' Report and audited financial statements for the year ended 31 July 2007.

2 To approve Directors' fees.

3 To declare a final dividend of Shs 5/- per share to shareholders registered on 16th November 2007.

4 To elect Directors:

(a) Mr R A Shepherd retires by rotation and, being eligible, offers himself for re-election.

(b) Mr M K R Shah retires by rotation and, being eligible, offers himself for re-election.

5 To authorize the Directors to fix the remuneration of the auditors, Deloitte & Touche.

By Order of the Board

N P KOTHARI
Secretary
Nairobi
24 October 2007

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. A detachable proxy form is at the end of the financial statements.

I am pleased to report that the year ended 31 July 2007 has been yet another successful year for the Company. The growth in this period has been led by exports which have for the first time in the Company's history exceeded domestic sales in value. The full benefits of this increase in exports have, however, been limited by the gaining in strength of the Shilling against the Dollar.

On the whole, sales increased by 16% and operating profits by 31%. Net profits after tax have increased by 22%. Whilst operating costs have increased in line with sales, it is expected that these will continue to rise sharply due to the continued increase in fuel prices, poor roads infrastructure and erratic supply and poor quality of electricity power being supplied.

Although administrative expenses appeared to have decreased significantly during the year, these are in fact in line with the volume of activity. The increment in the expenses in the prior year was due to legal and professional costs in connection with the BOC offer and is not a re-current expenditure.

The Company's carbon dioxide facilities continue to be maintained to the highest standards to ensure high levels of operational efficiency and to provide products of the highest quality in Africa. This has been achieved, in part, by the continued stringent application of ISO standards. The Company will continue in its efforts to expand the export market and identify new markets and new users for its main products of carbon dioxide and dry ice.

The Company's investment portfolio registered only a marginal increase in terms of interest earned. This was anticipated and is in line with current market interest rates. The Board continued to maintain the investments in liquid form in order to expediently pay out the special dividend upon the conclusion of the BOC transaction. That strategy is now under review in view of the delay in completing the transaction.

Your Board approved the payment of an interim dividend of Shs 5/- per share and now recommends a final dividend of Shs 5/- per share to be paid in December 2007. The total dividend per share for the full year will, therefore, be Shs 10/- per share, compared to Shs 7/50 for the previous year.

In the current year, returns on investments in treasury bills and deposits are expected to continue to remain flat in line with trends in interest rates. The search for new regional markets as well as the improvement in the Kenyan economy should see a growth in demand for carbon dioxide gas and related products.

The Board continues to be concerned with the delayed resolution of the dispute between BOC and the Capital Markets Authority (CMA) in respect of BOC's offer for the Carbacid shares. The dispute was referred to the Capital Markets Tribunal and a ruling in favour of BOC was made on 16 March 2007. This decision has been appealed against by the CMA on the basis of implications of the precedent, which, the CMA felt, would prejudice the long-term viability of the capital markets as well as its regulatory capacity. The matter was certified as urgent by the presiding Judge and the matter was also referred to the Chief Justice for purposes of constituting a two-judge bench to handle the appeal. In the meantime, your Board has continued to explore options with BOC to find a way forward and remove the suspension of trading in the Company's shares at the Nairobi Stock Exchange. Your Board is aware that several shareholders have written to BOC and copied the same to the CMA, the Nairobi Stock Exchange and the Company, expressing frustration at the delay in concluding the transaction.

As part of its Corporate Social Responsibility and as the factory lies within the Aberdare Forest, your Company continues to support the Rhino Ark in its initiative to fence and protect the Aberdare forest, an important water catchment area. This year, your Company has, once again, provided support by donating an amount towards the construction of Forest Guardhouses. In addition, the Company has continued to support initiatives at the Kimende High School.

Your Board continues to place great emphasis on Corporate Governance and a Statement on Corporate Governance is included in the Annual Report.

Finally, on behalf of the Board of Directors, I would like to extend my appreciation to all our staff for their efforts in helping achieve another successful year for your Company. I also wish to record my appreciation for the guidance and contribution of my fellow Board members.

Nairobi
24 October 2007

J M Wanjigi
Chairman

Nina furaha kuripoti kwamba mwaka uliomalizika Julai 31, 2007 umekuwa tena mwaka wenye mafanikio kwa kampuni. Kuongezeka katika wakati huu kumeletwa na mauzo ya nchi za nje ambayo kwa mara ya kwanza katika historia ya kampuni yamepita mauzo ya hapa nchini kwa dhamani. Faida kamili kutokana na kuongezeka katika mauzo ya nchi za nje yameadhiriwa na kuimarika kwa Shilingi ukilinganisha na Dola.

Kwa jumla mauzo yameongezeka kwa asilimia 16 na faida kutokana na utenda kazi kwa asilimia 31. Faida baada ya kodi imeongezeka kwa asilimia 22. Hata ingawa matumizi kutokana na utenda kazi yameongezeka kulingana na mauzo, inatarajiwa kuwa haya yataendelea kuongezeka kwa haraka kwa sababu ya kuendelea kuongezeka kwa bei ya mafuta, muundo msingi mbaya wa barabara na utoaji wa stima usioweza kutegemewa na kiwango cha chini cha nguvu za umeme ambazo zinazotolewa.

Hata ingawa, matumizi yasio husiana na utengenezaji wa bidhaa yanaonekana kupungua kwa kiwango cha juu katika mwaka huu, kwa hakika yana ambatana na kiwango cha shuguli mbali mbali. Ongezeko katika matumizi katika mwaka uliopita ilikuwa kutokana na matumizi ya kisheria na kazi za malipo kuhusiana na toleo la BOC na si matumizi yanayofanywa kila mara.

Mitambo ya kampuni ya Carbon dioxide inaendelea kuhifadhiwa katika viwango vya juu zaidi ili kuhakikisha ngazi za juu za utenda kazi na kutoa bidhaa za hali ya juu zaidi hapa Africa. Hii imepatikana kwa sehemu fulani kutokana na kuendelea kutumia viwango vya juu vya ISO. Kampuni itaendelea katika jitihada zake za kupanua soko la nchi za nje na kutambua soko mpya na matumizi mapya ya bidhaa zake muhimu za gesi ya carbon dioxide na barafu inayotokana na gesi hii.

Rasilimali za kampuni zinazotumika kupata faida ziliweza kuonyesha ongezeko kidogo katika mapato ya riba yaliiopatikana. Hii ilitarajiwa na ni kuambatana na viwango vya riba katika soko kwa wakati huu. Halmashauri ya wakurugenzi imeendelea kuweka rasilimali katika hali sawa na pesa ili kuwezesha kulipwa kwa mgao wakipekee wakati mauzo ya hisa kwa BOC itakapo kamilika. Mpango huo sasa unachunguzwa kutokana na kuchelewa katika kukamilisha kwa mauzo hayo ya hisa.

Halmashauri yenu ya wakurugenzi ilipitisha kulipwa kwa mgao wa muda wa shilingi 5/- kwa kila hisa na sasa inapendekeza kulipwa mgao wa mwisho wa mwaka wa shilingi 5/- kwa kila hisa kulipwa hapo Desemba 2007. Mgao wote kwa jumla kwa kila hisa kwa mwaka mzima itakuwa ni shilingi 10/- kwa kila hisa ukilinganishwa na shilingi 7/50 kwa mwaka uliopita.

Katika mwaka ulionza, mapato kutoka kwa rasilimali zilizowekwa katika hundi za serikali na akiba za benki yanatarajiwa kuendelea bila mabadiliko kuambatana na mabadiliko katika viwango vya riba. Kutafuta kwa soko mpya katika kanda hili pamoja na kuimarika kwa uchumi wa Kenya kutaleta ongezeko katika mahitaji ya gesi ya carbon dioxide na bidhaa zinazohusiana.

Halmashauri ya wakurugenzi inaendelea kuwa na wasiwasi kwa kuchelewa katika kutatua kwa mzozo baina ya BOC na halmashauri ya soko za mtaji (CMA) kuhusu toleo la BOC la kutaka kununua hisa za Carbacid. Mzozo huo ulipelekwa kwa kamati ya kutatua mizozo ya soko za mtaji (CMA Tribunal) na uamuzi uliotolewa kwa BOC hapo Machi 16, 2007. Uamuzi huu umekatwa rufaa na CMA kutokana na kile CMA iliona kungeweza kuadhiri kuendelea kwa soko za mtaji na usimamizi wa soko hili na CMA kwa sababu ya uamuzi huo. Jambo hili lilipitishwa kama dharura na hakimu aliyekuwa kazini and swala lilipelekwa kwa Jaji Mkuu ili kutafuta majaji wawili ambao watasikiza rufaa hii.

YA MWAKA ULIOMALIZIKA JULAI 31, 2007

Kwa sasa halmashauri yenu ya wakurugenzi inaendelea pamoja na BOC kutafuta njia mpya za kusuluhisha na kuondoa kusimamishwa kwa mauzo ya hisa za kampuni katika soko la hisa (Nairobi Stock Exchange). Halmashauri yenu ya wakurugenzi inajua kwamba wanahisa kadhaa wameandikia BOC, halmashauri ya soko za mtaji (CMA), soko la hisa (NSE) na kampuni wakielezea kutoridhika kwao na kuchelewa katika kukamilisha mauzo ya hisa kwa BOC.

Kama moja ya sehemu ya miradi ya shirika kwa jamii na hasa kutokana na kiwanda cha kampuni kuwa ndani ya msitu wa Aberdare, kampuni yenu inaendelea kuunga mkono. Rhino Ark katika juhudi zake za kuweka ua na kulinda msitu wa Aberdare, sehemu muhimu ya kuhifadhi maji. Mwaka huu kampuni yenu kwa mara nyingine imetoa mchango wa kiwango fulani kwa madhumuni ya ujenzi wa nyumba za ulinzi wa msitu. Pamoja na hayo kampuni imeendelea kuchangia miradi mbali mbali katika shule ya upili ya Kimende.

Mwisho, kwa niaba ya halmashauri ya wakurugenzi, ningependa kutoa shukrani zangu kwa wafanyi kazi wote kwa juhudi zao katika kusaidia kupata mwaka mwingine wenye mafanikio kwa kampuni yenu. Ningependa pia kutoa shukrani kwa mwongozo na mchango wa wakurugenzi wenzangu.

Nairobi
Oktoba 24, 2007

J M Wanjigi
Mwenyekiti

The directors present their report together with the group audited financial statements for the year ended 31 July 2007.

ACTIVITIES

The company is an investment and holding company with one wholly owned operating subsidiary, Carbacid (CO_2) Limited, whose principal activity is the mining and sale of carbon dioxide gas.

RESULTS

	Sh'000
Profit before taxation	226,796
Taxation	(71,562)
Profit for the year transferred to revenue reserve	155,234

DIVIDENDS

An interim dividend of Shs 5/- per share (2006 - Sh 4/50)was paid during the year amounting to Shs 56,633,775/- (2006 - Shs 50,970,397/50/-). The Directors propose a final dividend of Sh 5/- per share (2006 - Shs 3/-) amounting to Sh 56,633,775/- (2006 – Sh 33,980,265).

DIRECTORS

The current board of directors is shown on page 2

Mr R A Shepherd and Mr M K R Shah retire by rotation and being eligible, offer themselves for re-election..

AUDITORS

Deloitte & Touche, having expressed their willingness, continue in office in accordance with the provision of section 159 (2) of the Companies Act (Cap. 486).

By Order of the Board

N P KOTHARI
Secretary
Nairobi
24 October 2007

The Company is committed to the maintaining high standards of Corporate Governance and the disclosures in this years financial statements are in recognition of this commitment.

The role of the Board

The Board is responsible for the long-term growth and profitability of the Carbacid Group. The Board charts the direction of the Group and monitors management's performance on behalf of the shareholders. A critical role of the Board is to ensure that the Group is pursuing a strategy that increases profitability and shareholders value.

Board meetings

The Board normally meets quarterly each year for scheduled meetings and on other occasions to deal with specific matters that require attention between scheduled meetings. Scheduled meetings include annual strategic reviews, review of quarterly performance and monitoring of business and operational issues. During the year the Board had eight meetings, which were attended by all the Directors.

Composition of the Board

The composition of the Board is given on Page 2 of this report. The Board will continue to have substantial majority of independent Directors. All the four Directors, Mr Wanjigi, Mr Patel, Mr Shepherd and Mr Shah are non-executive Directors. All non-executive Directors are considered by the Board to be independent of management.

One third of the members of the Board retire by rotation each year and may offer themselves for re-election if eligible in accordance with the Company's Articles of Association. Any Director appointed by the Board will be subject to election by shareholders at the first opportunity after his or her appointment and will not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Board Committees

The Board carries out certain of its duties by delegation to Board Committees from time to time. These Committees meet regularly and make recommendations to the Board on issues delegated to them. The Committees operate under Terms of Reference approved by the Board and their duties extend across the Group.

Audit Committee- The Committee assists the Company's Board to discharge its corporate governance responsibilities, including the Group's relationship with, and the independence of, the external auditors; the reliability and appropriateness of the disclosure in the financial statements and external financial communication; and the maintenance of an effective business risk management framework including compliances and internal controls.

Other committees in place are the Strategic Committee and the Staff Committee. The committees met as follows during 2006/7.

- Audit Committee - Once
- Strategic Committee - Eight (combined with the main Board meetings)
- Staff Committee - Twice

Business and Financial Planning

A detailed budget for each financial year is presented to the Board for approval at the beginning of that year. Management accounts comparing actual results against budget and previous years and revised forecasts for the remainder of the financial year are produced each month. Significant variances from the budget are highlighted and explained and, where appropriate, corrective action is indicated.

The Board attaches great importance to maintaining a strong control environment and the system of internal controls includes the assessment of non-financial risks and controls.

The Board has established a management structure, which clearly defines roles, responsibilities and reporting lines. Delegated authorities are documented and communicated.

Communications with shareholders

The Company is committed to:

- Ensuring that shareholders and the financial markets are provided with full and timely information about its performance.
- Complying with continuous obligations contained in applicable Listing Rules and the Capital Markets Authority Act applicable in Kenya.

Information is communicated to the shareholders through the distribution of the annual report and press notices following release of the half-yearly results and whenever there are other significant developments to report on.

Corporate Social Responsibility

The Company believes that it has a responsibility to contribute to the improvement of the community where possible. In this regard, the Company has continued its Carbacid Scholarships programme to the three best students each term in Forms I to IV of Kimende High School, Matathia. The school is located close to the Company's production facility. The Company has also contributed to the Greening Kereita Forest project and is committed to continue supporting this important environmental project. Carbacid has also supported the Rhino Ark Fencing project that is helping to protect the wildlife and the environment.

Directors' benefits and loans

Since the last Annual General Meeting of the Company to the date of this report, no Director has received or become entitled to receive any benefit other than Directors' fees and amounts received under employment contracts.

The aggregate amount of emoluments for Directors' services rendered in the financial year is disclosed on page 25.

Neither at the end of the financial year nor at any time during the year did there exist any arrangement to which the Group is a party whereby Directors might acquire benefits by means of the acquisition of shares in the Group. There were no Directors' loans at any time during the year.

Directors' interest

The interest of the Directors in the Shares of the Company as at 31 July 2007 were as follows:

Name	No. of Shares
Mr J M Wanjigi including shares held by a company in which he has an interest	168,081
Mr B C Patel	1,116,033

Distribution of shareholders as at 31 July 2007

Shareholding (No. of Shares)	No.of shares held	No. of shareholders	% shareholding
Less than 500	47,057	218	0.42
500 - 5,000	926,683	492	8.18
5,001 - 10,000	297,800	40	2.63
10,001 - 100,000	1,529,472	46	13.50
100,001 - 1,000,000	2,089,611	7	18.44
above 1,000,000	6,436,132	4	56.83
Total	11,326,755	807	100.00

Major shareholders

The top 10 major shareholders as at 31 July 2007 were as follows:

Name	No. of Shares	% Shareholding
Alliance Nominees Limited	2,561,481	22.61
Mrs A Patel	1,699,000	15.00
Mr B C Patel	1,116,033	9.86
Leverton Limited	1,059,618	9.36
Kivuli Limited	660,000	5.83
Miss T I Friedman	501,142	4.42
Miss N Stubbs	250,790	2.21
Cannon Assurance (Kenya) Ltd	237,271	2.09
Mrs B C Kampf	179,428	1.58
Estate of the late Carin Maria Parfitt	153,148	1.35

The Companies Act requires the directors 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 that the group and the company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company. They are also responsible for safeguarding the assets of the group.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of 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.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with International Financial Reporting Standards and in the manner required by the 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 of the company and of the group's 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.

Nothing has come to the attention of the directors to indicate that the company and its subsidiary will not remain going concerns for at least the next twelve months from the date of this statement.

J M WANJIGI	M K R SHAH
Director	Director

24 October 2007

Independent auditors' report

TO THE MEMBERS OF
CARBACID INVESTMENTS LIMITED

Deloitte.

Deloitte & Touche
Certified Public Accountants (Kenya)
"Kirungii"
Ring Road, Westlands
P. O. Box 40092 - GPO 00100
Nairobi
Kenya

Tel: + (254 - 20) 444 1344/05-12
Fax: + (254 - 20) 444 8966
Dropping Zone No. 92
E-mail: admin@deloitte.co.ke

We have audited the financial statements of Carbacid Investments Limited set out on pages 15 to 33 which comprise the consolidated and company balance sheets as at 31 July 2007, and the consolidated income statement, consolidated and company statement of changes in equity and consolidated cash flow statement for the year then ended, together with the summary of significant accounting policies and other explanatory notes, and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Respective responsibilities of directors and auditors

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the provisions of the Kenyan Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of 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. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 judgment and include an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered internal controls 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 directors, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion:

(a) proper books of account have been kept by the company and the company's balance sheet is in agreement therewith;
(b) the financial statements give a true and fair view of the state of affairs of the company and of the group at 31 July 2007 and of the profit and cash flows of the group for the year then ended in accordance with International Financial Reporting Standards and comply with the Kenyan Companies Act.

DELOITTE & TOUCHE

24 October 2007

FOR THE YEAR ENDED 31 JULY 2007

	Note	2007 Sh'000	2006 Sh'000
TURNOVER		369,659	318,975
COST OF SALES		(142,943)	(124,196)
GROSS PROFIT		226,716	194,779
OTHER OPERATING INCOME		12,530	11,859
ADMINISTRATIVE EXPENSES		(40,559)	(55,169)
OPERATING PROFIT	4	198,687	151,469
FINANCE INCOME - NET	6	28,109	27,744
PROFIT BEFORE TAXATION		226,796	179,213
TAXATION	7	(71,562)	(52,491)
PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS	9	155,234	126,722
EARNINGS PER SHARE – Basic and diluted	9	Sh 13.70	Sh 11.18
DIVIDEND PER SHARE	10	Sh 10.00	Sh 7.50

consolidated balance sheet

31 JULY 2007

	Note	2007 Sh'000	2006 Sh'000
ASSETS			
Non current assets			
Property, plant and equipment	11	445,107	471,398
Investment property	12	28,000	28,000
Operating lease prepayments	13	22,765	23,235
Equity investments	15	54,691	19,337
Bonds and treasury bills	16	24,550	24,550
		575,113	566,520
Current assets			
Inventories	17	13,378	13,593
Trade and other receivables	18	78,804	78,336
Taxation recoverable	7	5,170	5,739
Bonds and treasury bills	16	4,410	19,963
Commercial paper	19	109,348	124,185
Short term deposits	20	175,854	161,410
Bank and cash balances		130,830	56,751
		517,794	459,977
Total assets		1,092,907	1,026,497
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	21	56,634	56,634
Revaluation surplus		243,039	246,463
Revenue reserve		625,408	557,364
Shareholders' equity		925,081	860,461
Non current liabilities			
Deferred income taxes	22	127,951	134,704
Current liabilities			
Trade and other payables	23	33,781	31,332
Taxation payable	7	6,094	-
		39,875	31,332
Total equity and liabilities		1,092,907	1,026,497

The financial statements on pages 15 to 33 were approved by the board of directors on 24 October 2007 and were signed on its behalf by:

J M WANJIGI
M K R SHAH
} Directors

31 JULY 2007

	Note	2007 Sh'000	2006 Sh'000
ASSETS			
Non current assets			
Property, plant and equipment	11	2,820	2,880
Investment property	12	28,000	28,000
Operating lease prepayments	13	22,738	23,208
Investment in subsidiary company	14	3,348	3,348
Equity investments	15	54,691	19,337
Bonds and treasury bills	16	24,550	24,550
		136,147	101,323
Current assets			
Bonds and treasury bills	16	4,410	19,963
Trade and other receivables	18	191	164
Taxation recoverable	7	5,170	3,284
Commercial paper	19	109,348	124,185
Short term deposits	20	175,854	161,410
Bank and cash balances		9,613	7,848
Due from subsidiary company		38,677	-
		343,263	316,854
Total assets		479,410	418,177
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	21	56,634	56,634
Revaluation surplus		1,818	1,860
Revenue reserve		409,088	344,426
Shareholders' equity		467,540	402,920
Non current liabilities			
Deferred income taxes	22	5,035	5,486
Current liabilities			
Trade and other payables	23	6,835	9,771
		6,835	9,771
Total equity and liabilities		479,410	418,177

The financial statements on pages 15 to 33 were approved by the board of directors on 24 October 2007 and were signed on its behalf by:

J M WANJIGI
M K R SHAH
Directors

consolidated statement of changes in equity

FOR THE YEAR ENDED 31 JULY 2007

	Share capital Sh'000	Revaluation surplus Sh'000	Revenue reserve Sh'000	Total Sh'000
At 1 August 2005	56,634	251,815	507,409	815,858
Transfer of excess depreciation	-	(7,646)	7,646	-
Deferred tax on excess depreciation	-	2,294	(2,294)	-
Profit for the year	-	-	126,722	126,722
Final dividend paid - 2005	-	-	(31,149)	(31,149)
Interim dividend paid - 2006	-	-	(36,812)	(36,812)
Second interim dividend - 2006	-	-	(14,158)	(14,158)
At 31 July 2006	56,634	246,463	557,364	860,461
At 1 August 2006	56,634	246,463	557,364	860,461
Transfer of excess depreciation - prior year	-	11,817	(11,817)	-
- current year	-	(21,772)	21,772	-
Deferred tax on excess depreciation	-	6,531	(6,531)	-
Profit for the year	-	-	155,234	155,234
Final dividend paid - 2006	-	-	(33,980)	(33,980)
Interim dividend paid - 2007	-	-	(56,634)	(56,634)
At 31 July 2007	56,634	243,039	625,408	925,081

The revaluation reserve represents the surplus arising from the revaluation of property, plant and equipment and is not distributable.

FOR THE YEAR ENDED 31 JULY 2007

	Share capital Sh'000	Revaluation surplus Sh'000	Revenue reserve Sh'000	Total Sh'000
At 31 July 2005				
- as previously stated	56,634	172,988	327,929	557,551
- prior year adjustment	-	(171,086)	(14,594)	(185,680)
As restated	56,634	1,902	313,335	371,871
Transfer of excess depreciation	-	(60)	60	-
Deferred tax on excess depreciation	-	18	(18)	-
Profit for the year	-	-	113,168	113,168
Final dividend paid - 2005	-	-	(31,149)	(31,149)
Interim dividend paid - 2006	-	-	(36,812)	(36,812)
Second interim dividend - 2006	-	-	(14,158)	(14,158)
At 31 July 2006	56,634	1,860	344,426	402,920
At 1 August 2006				
- as previously stated	56,634	172,946	359,020	588,600
- prior year adjustment	-	(171,086)	(14,594)	(185,680)
As restated	56,634	1,860	344,426	402,920
Transfer of excess depreciation	-	(60)	60	-
Deferred tax on excess depreciation	-	18	(18)	-
Profit for the year	-	-	155,234	155,234
Final dividend paid - 2006	-	-	(33,980)	(33,980)
Interim dividend paid - 2007	-	-	(56,634)	(56,634)
At 31 July 2007	56,634	1,818	409,088	467,540

The revaluation reserve represents the movement arising from the revaluation of property, plant and equipment and is not distributable.

The prior year adjustment is a reversal of prior years revaluation of investment in subsidiary company.

consolidated cash flow statement

FOR THE YEAR ENDED 31 JULY 2007

	Note	2007 Sh'000	2006 Sh'000
OPERATING ACTIVITIES			
Cash generated from operations	24(a)	230,432	168,019
Interest received		25,754	27,296
Taxation paid		(71,652)	(75,422)
Net cash generated from operating activities		184,534	119,893
INVESTING ACTIVITIES			
Purchase of plant and equipment		(9,631)	(17,875)
Proceeds from disposal of plant and equipment		374	5,608
Redemption of bonds		15,553	42,291
Dividends received		586	917
Proceeds on sale of equity investments		-	14,480
Purchase of equity investments		(27,116)	(6,805)
Net cash (used in)/generated from investing activities		(20,234)	38,616
FINANCING ACTIVITIES			
Dividends paid		(90,614)	(82,119)
INCREASE IN CASH AND CASH EQUIVALENTS		73,686	76,390
CASH AND CASH EQUIVALENTS AT START OF YEAR		342,346	265,956
CASH AND CASH EQUIVALENTS AT 31 JULY	24(b)	416,032	342,346

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted in the preparation of these financial statements remain unchanged from the previous year and are set out below:

Adoption of new and revised international financial reporting standards

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- IFRS 7 on Financial Instruments Disclosures and
- IFRS 8 on Operating Segments
- IFRIC 10 Interim Financial Reporting and Impairment

The adoption of these Standards and Interpretations, when effective, will have no material impact on the financial statements of the company.

(a) Basis of preparation

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

(b) Basis of consolidation

Subsidiary undertakings, being those companies in which the Group either directly or indirectly has an interest of more than 50% of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated as from the date of disposal. All inter company balances and unrealised surpluses and deficits on transactions with the subsidiary company have been eliminated.

The consolidated financial statements incorporate the financial statements of the company and its wholly owned subsidiary, Carbacid (CO_2) Limited, whose financial year ends on 31 July.

(c) Turnover

Income is recognised upon despatch of goods to customers and represents the value of carbon dioxide gas and dry ice invoiced to customers, excluding value added tax.

(d) Dividend income

Dividend income from equity investments is recognised when the company's right as a shareholder is established.

(e) Inventories

Carbon dioxide gas and dry ice inventories are stated at the lower of cost and net realisable value. Cost comprises materials and, where appropriate, labour and attributable overheads. Net realisable value is the selling price in the ordinary course of business. The cost of other inventories is determined on the weighted average cost basis.

(f) Property, plant and equipment

Property, plant and equipment is stated at cost or at valuation less accumulated depreciation and any accumulated impairment losses.

1 ACCOUNTING POLICIES (continued)

(g) Depreciation

Depreciation is calculated to write off the cost or valuation of property, plant and equipment in equal instalments over its estimated useful lives at the following annual rates:

Buildings	Over 50 years, or remaining period of lease whichever is less
Boreholes	5%
Roads	10%
Motor vehicles	10% - 25%
Plant and equipment	5% - 33.3%

Excess depreciation, representing the additional depreciation based on revalued amounts over depreciation based on historical costs, is transferred annually from the revaluation surplus to the revenue reserve.

(h) Leasehold land

Payments to acquire leasehold interests in land are treated as prepaid operating lease rentals and amortised over the term of the lease.

(i) Investment in subsidiary company

Investment in subsidiary company is stated at cost less provision for impairment where applicable.

(j) Taxation

Current taxation is provided for on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred income tax is provided for, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

(k) Retirement benefit obligations

The group operates a defined contribution pension scheme for eligible non-unionisable employees. The scheme is externally administered and is funded by contributions from both the company and employees.

The group also contributes to the statutory National Social Security Fund. This is a defined contribution scheme registered under the National Social Security Act. The company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of Sh 200 per employee per month.

The group's obligations to these schemes are recognised in the income statement as they fall due.

(l) Provision for employee entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the balance sheet date.

(m) Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into Kenya shillings at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are dealt with in the income statement.

1 ACCOUNTING POLICIES (continued)

(n) Impairment

At each balance sheet date, the group reviews the carrying amounts of its financial assets, tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised in the income statement whenever the carrying amount of the asset exceeds its recoverable amount.

(o) Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charge are included in other long term payables. The interest element of the finance charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the estimated useful life of the related assets.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on the straight-line basis over the term of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(p) Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables
Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments
Investments are recognised on a trade date basis and are measured at cost, including transaction costs. Quoted investments and unit trusts are stated at market value. Changes in their carrying amounts are dealt with in the income statement.

Trade payables
Trade payables are stated at their nominal value.

Treasury bills
Treasury bills are stated at redemption value less unearned discounts on purchase. Discounts on purchase are recognised to income over the period to maturity of the related instruments.

Treasury bonds
Investments in treasury bonds are stated at amortised cost. Interest receivable is recognised to income on the accrual basis. Discounts and premiums on purchase are recognised in the statement of changes in net assets at the date of acquisition.

1 ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

Corporate bonds
Investments in corporate bonds are stated at amortised cost. Interest receivable is recognised to income on the accrual basis.

Commercial paper
Commercial paper is stated at redemption value less unearned discounts on purchase. Discounts on purchase are recognised to income over the period to maturity of the related instrument.

(q) Investment properties

Investment properties are treated as long term investments and are carried at market value determined, on a periodic basis, by external independent valuers. Investment properties are not subject to depreciation. Changes in their carrying amounts are dealt with in the income statement.

Upon disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

(r) Segmental reporting

Segment results include revenue and expenses directly attributable to a segment.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Capital expenditure represents the total cost incurred during the year to acquire segment assets that are expected to be used during more than one financial year (property, plant and equipment).

Comparatives

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

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the company's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within current and future financial years. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The critical areas of accounting estimates and judgements in relation to the preparation of these financial statements are as set out below:

Impairment of assets
At each balance sheet date, the company reviews the carrying amount of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment.

Property, plant and equipment
Critical estimates are made by the directors in determining depreciation rates for property plant and equipment.

3 SEGMENTAL INFORMATION

(a) *Primary reporting format - Business segments*

	CO_2 trading Sh'000	Carbacid Investments Sh'000	Group Sh'000
2007			
Turnover	369,659	-	369,659
Profit before taxation	197,777	29,019	226,796
Segment assets	655,522	437,385	1,092,907
Segment liabilities	155,956	11,870	167,826
Depreciation	34,841	60	34,901
Amortisation	-	470	470
Capital expenditure	9,631	-	9,631
2006			
Turnover	318,975	-	318,975
Profit before taxation	148,620	30,593	179,213
Segment assets	603,856	422,640	1,026,496
Segment liabilities	150,779	15,257	166,036
Depreciation	33,571	60	33,631
Amortisation	-	470	470
Capital expenditure	17,875	-	17,875

(b) Secondary reporting - geographical segments

The group's revenues are derived from sales in the following markets:

	2007 Sh'000	2006 Sh'000
Domestic sales - Kenya	173,314	165,003
Export sales - other East African countries	196,345	153,972
	369,659	318,975

4 OPERATING PROFIT

The operating profit is arrived at after charging:

	2007	2006
Directors' emoluments		
Fees	4,356	3,827
Other emoluments	-	10,647
Auditors' remuneration	1,566	1,450
Staff costs (note 5)	45,679	41,597
Depreciation	34,901	33,631
Amortisation of operating lease prepayment	470	-
Loss on disposal of plant and equipment	647	3,521

5 STAFF COSTS

	2007	2006
Salaries and wages	43,124	38,269
Social security costs	146	136
Pension costs - defined contribution plan	2,184	3,164
Leave pay expense	225	28
	45,679	41,597

6 FINANCE INCOME - NET

		2007 Sh'000	2006 Sh'000
Interest receivable from	- bonds and treasury bills	6,436	8,015
	- commercial paper	3,873	12,324
	- Short term investments and deposits	12,845	5,127
	- bank current account	2,600	1,831
		25,754	27,297
Net foreign exchange losses		(6,469)	(5,592)
Realised loss on sale of equity investments		-	(204)
Dividends receivable - gross		586	917
Unrealised market gain on equity investments		8,238	5,326
		28,109	27,744

7 TAXATION

(a) TAX CHARGE

	2007 Sh'000	2006 Sh'000
Current taxation based on taxable profit at 30%	73,841	60,293
Deferred tax credit (note 22)	(7,251)	(7,802)
Prior year deferred tax under provision (note 22)	498	-
Prior year current tax under provision	4,474	-
	71,562	52,491

(b) RECONCILIATION OF EXPECTED TAX BASED ON ACCOUNTING PROFIT TO TAX EXPENSE

	2007 Sh'000	2006 Sh'000
Accounting profit before taxation	226,796	179,213
Tax at the applicable rate of 30%	68,039	53,764
Tax effect of expenses not deductible for tax purposes	1,198	2,370
Tax effect of income not taxable	(2,647)	(3,643)
Prior year deferred tax under provision	498	-
Prior year current tax under provision	4,474	-
	71,562	52,491

(c) TAXATION RECOVERABLE/ (PAYABLE)

	2007 Sh'000	2006 Sh'000
At 1 August	5,739	(9,390)
Charge for the year	(73,841)	(60,293)
Prior year current tax under provision	(4,474)	-
	(72,576)	(69,683)
Taxation paid	71,652	75,422
At 31 July	(924)	5,739
Comprising of:		
Taxation payable	(6,094)	-
Taxation recoverable	5,170	5,739

8 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders dealt with in the company financial statements of Carbacid Investments Limited is Sh 155,234,000 (2006 – Sh 113,168,000).

9 BASIC EARNINGS PER SHARE

Basic earnings per share is based on the profit attributable to shareholders for the year of Sh 155,234,000 (2006 – Sh 126,722,000) and on the 11,326,755 (2006 – 11,326,755) shares in issue during the year.

There were no potentially dilutive shares outstanding at 31 July 2007 or 31 July 2006.

10 DIVIDEND PER SHARE

	2007 Sh	2006 Sh
Interim dividends paid	5.00	4.50
Final dividend proposed	5.00	3.00
	10.00	7.50

Proposed dividends are not accounted for until they have been ratified at the Annual General meeting. An interim dividend of Sh 5.00 per share (2006 – Sh 4.50) was paid during the year amounting to Sh 56,634,000 (2006 – Sh 50,970,398). The Directors propose a final dividend of Shs 5.00 per share (2006 – Sh 3.00) amounting to Sh 56,633,745 (2006 – Sh 33,980,265). The financial statements for the year ended 31 July 2007 do not reflect this resolution which will be accounted for in shareholders' equity as an appropriation of retained profits in the year ending 31 July 2008.

During the year, the company paid dividends amounting to Sh 90,614,000 (2006 – Sh 82,119,000).

11 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Buildings and boreholes Sh'000	Roads Sh'000	Motor Vehicles Sh'000	Plant and equipment Sh'000	Total Sh'000
COST OR VALUATION					
As at 1 August 2005	37,179	21,000	89,925	381,241	529,345
Additions	63	-	11,047	6,765	17,875
Disposals	-	-	(10,483)	(19)	(10,502)
At 31 July 2006	37,242	21,000	90,489	387,987	536,718
COMPRISING:					
Valuation – 2004	36,454	21,000	69,765	379,964	507,183
Cost	788	-	20,724	8,023	29,535
	37,242	21,000	90,489	387,987	536,718
As at 1 August 2006	37,242	21,000	90,489	387,987	536,718
Additions	74	-	8,437	1,120	9,631
Disposals	-	-	(1,333)	(103)	(1,436)
At 31 July 2007	37,316	21,000	97,593	389,004	544,913
COMPRISING:					
Valuation - 2004	36,454	21,000	69,765	379,964	506,933
Cost	862	-	27,828	9,040	37,980
	37,316	21,000	97,593	389,004	544,913

16 BONDS AND TREASURY BILLS - GROUP & COMPANY

	2007 Sh'000	2006 Sh'000
Face value	28,960	44,850
Unearned discount	-	(337)
	28,960	44,513
Maturing within one year	(4,410)	(19,963)
Maturing after one year	24,550	24,550

The average interest rates received were as follows:

	2007	2006
Treasury bills	-	12 %
Bonds	13.56 %	14.49 %

17 INVENTORIES – GROUP

	2007 Sh'000	2006 Sh'000
Carbon dioxide gas and dry ice	788	1,325
Spare parts and materials	10,614	9,649
Fuel and chemicals	631	1,454
Oxygen gas	1,345	1,165
	13,378	13,593

18 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2007 Sh'000	2006 Sh'000	2007 Sh'000	2006 Sh'000
Trade receivables	69,029	75,551	-	-
Prepayments	1,563	612	191	164
Other receivables	8,212	2,173	-	-
	78,804	78,336	191	164

19 COMMERCIAL PAPER – GROUP AND COMPANY

	2007 Sh'000	2006 Sh'000
Face value	110,000	125,000
Less: Unearned discount	(652)	(815)
	109,348	124,185

The average interest rate received was 6.0% (2006 - 6.0%).

20 SHORT TERM DEPOSITS - GROUP AND COMPANY

	2007 Sh'000	2006 Sh'000
Fixed deposits		
- Local currency	117,949	161,410
- Foreign currency	57,905	-
	175,854	161,410

All short term deposits mature within three months of the contract date.

The average interest rate realised on local currency fixed deposits during the year was 5.86% (2006 – 9.0%), on foreign currency 3.50% (2006 nil).

21 SHARE CAPITAL

	2007 Sh'000	2006 Sh'000
Authorised:		
12,000,000 ordinary shares of Sh 5 each	60,000	60,000
Issued and fully paid:		
11,326,755 ordinary shares of Sh 5 each	56,634	56,634

22 DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method using the currently enacted tax rate of 30%. The net deferred taxation liability is attributed to the following items:

	GROUP		COMPANY	
	2007 Sh'000	2006 Sh'000	2007 Sh'000	2006 Sh'000
Accelerated capital allowances	27,138	27,690	-	-
Leave pay provision	(518)	(451)	-	-
Unrealised exchange losses	(1,280)	(1,677)	(625)	(192)
Revaluation surplus - investment property	4,880	4,880	4,880	4,880
Revaluation surplus - property and equipment	97,731	104,262	780	798
	127,951	134,704	5,035	5,486
The movement on the deferred tax account is as follows:				
At 1 August	134,704	142,506	5,486	5,693
Income statement credit (note 7)	(7,251)	(7,802)	(451)	(207)
Prior year under provision (note 7)	498	-	-	-
At 31 July	127,951	134,704	5,035	5,486

23 TRADE AND OTHER PAYABLES

	GROUP 2007	GROUP 2006	COMPANY 2007	COMPANY 2006
Trade payables	10,958	3,953	1,603	-
Unclaimed dividends	5,232	7,203	5,232	7,203
Other payables and accruals	15,863	18,672	-	2,568
Leave pay provision	1,728	1,504	-	-
	33,781	31,332	6,835	9,771

notes

proxy form

I/We ____

of ____

being a Member(s) of CARBACID INVESTMENTS LIMITED hereby appoint ______________________

______________________________ of ______________________

or failing him ____

of ____

or failing him the Chairman of the Meeting as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Holiday Inn (Palm Room), Parklands, Nairobi on Tuesday, 11th December 2007 at 10.00 a.m., and at any adjournment thereof.

Dated this ______________________ day of ______________________ 2007

Signature ____

Notes:

1. A member may appoint a proxy of his own choice. A proxy need not be a member of the Company.

2. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.

3. In the case of joint holders, the signature of any one holder will be sufficient but the names of the joint holders should be stated.

4. To be valid, this form must be completed and deposited at the Registered Office of the Company, 3rd Floor, Comcraft House, Haile Selassie Avenue, P.O. Box 30633, Nairobi, GPO, 00100, not less than twenty four hours before the time fixed for holding the meeting or adjourned meeting.

Fold 2
Kisha Kunja Hapa

STICK
STAMP
HERE

Kunja Hapa Kwanza
Fold 1

Company Secretary
Carbacid Investments Limited
P.O. Box 30633
Nairobi, GPO, 00100
Kenya

Fold 3
Halafu Kunja Hapa

Insert flap inside
Sasa ingiza hii karatasi ndani ya mkun-
jo ili ionekane kama bahasha