

AUDITED RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2014

CHAIRMAN'S STATEMENT

Tanzania Portland Cement Company Limited (TPCC) significantly improved its business performance in 2014 and strengthened its brand image through quality and service delivery.

The Tanzanian economy grew at a pace of about 7% in 2014, in line with the positive trend of previous years. The cement market grew at the same rate.

INCOME STATEMENT	2014 TZS'000	2013 TZS'000	Change
Revenue	243,269,641	213,775,188	13.8%
Cost of sales	(135,610,833)	(138,409,472)	-2.0%
Gross profit	107,658,808	75,365,716	42.8%
Selling and administrative expenses	(21,827,281)	(23,116,903)	-5.6%
Other operating income/ (charges)	4,840,739	10,018,460	-51.7%
Depreciation and amortisation	(14,373,155)	(13,110,694)	9.6%
Operating profit	76,299,111	49,156,579	55.2%
Financial items	3,376,391	1,238,822	
Profit before tax	79,675,502	50,395,401	58.1%
Taxes on income	(24,227,398)	(12,755,372)	89.9%
Profit for the year	55,448,104	37,640,029	47.3%
Other comprehensive income, net of tax	(1,339,251)	(1,385,093)	-3.3%
Total Comprehensive Income	54,108,889	36,254,936	49.2%
Number of Shares	179,923,100	179,923,100	
Earnings per share (TZS)	308.18	209.20	4.7%
Dividends per share (TZS)	267	195	36.9%

BALANCE SHEET	2014 TZS'000	2013 TZS'000	Change
ASSETS			
Intangible fixed assets	504,635	141,980	
Tangible fixed assets	189,910,958	177,619,994	
Non-current assets	190,415,593	177,761,974	7.1%
Inventories	58,332,930	52,372,242	
Current Income Tax Recoverable	419,772	208,964	
Trade and other receivables	27,113,863	20,858,955	
Cash and cash equivalents	36,840,134	43,488,040	
Current assets	122,706,699	116,928,201	4.9%
TOTAL ASSETS	313,122,292	294,690,175	6.3%
EQUITY & LIABILITIES			
Equity	229,711,577	223,802,270	2.6%
Long-term provisions	5,127,198	5,479,930	
Provision for deferred taxes	29,691,324	24,810,815	
Interest bearing borrowings	226,634	276,998	
Non-current liabilities	35,045,156	30,567,743	14.7%
Short term financial liabilities	64,004	66,523	
Trade & Other Payables	45,356,255	37,731,328	
Dividend payable	2,945,359	2,522,310	
Current liabilities	48,365,618	40,320,161	19.9%
TOTAL EQUITY & LIABILITIES	313,122,351	294,690,174	6.2%

During the year, TPCC recorded an increase in sales volume of 15% versus 2013 as a result of better production efficiency, commissioning of a new cement mill in the last quarter, recruitment of new distributors and the re-introduction of Twiga Extra in the product mix. Revenue increased by TZS 29.5bn compared with the previous year (+13.8%). This increase in revenue, coupled with efficient cost management, resulted in an increase in operating profit of 55% compared with 2013.

Prospects

Cement consumption in Tanzania and in the East-African region has continued to grow over the last few years. Having expanded its capacity, TPCC is well placed to meet this growing demand.

Dividend


The Board proposes a dividend for 2014 of TZS 267 per share. This is an increase of 36.9% compared to the previous year's amount of TZS 195 per share. The proposed dividend includes an interim amount of TZS 70 per share paid in October 2014. This represents 88.8% of the 2014 net income.

The Register of Members will close on 17 April 2015. The last day of trading cum dividend will be 14 April 2015. Dividend will be paid on or about 30 June 2015.

Appreciation

The Board would like to thank all TPCC's stakeholders for their support during the past year. We have every confidence that TPCC will continue to deliver value for the shareholders in the future.

BY ORDER OF THE BOARD


Jean - Marc Junon
Chairman of the Board
17 March 2015

CASH FLOW STATEMENT	2014 TZS'000	2013 TZS'000
Profit before tax	79,675,502	50,395,441
Depreciation & Amortisation	14,373,155	13,110,694
Interest paid	(167,896)	(202,080)
Income taxes paid	(20,122,528)	(16,463,622)
Elimination of non cash items	9,818,793	183,684
Change in working capital	(16,066,550)	3,320,816
Cash flow from operating activities	67,510,476	50,344,933
Cash flows from investing activities	(29,563,305)	(37,080,730)
Dividend paid	(45,835,834)	(24,289,619)
Long term loan paid	(53,642)	(53,643)
Change in cash and cash equivalents	(8,073,107)	(11,079,059)
Cash and equivalents 01.01	43,488,040	54,567,099
Change in cash	(8,073,107)	(11,079,059)
Cash and equivalents 31.12	36,840,134	43,488,040