

AUDITED RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2016

CHAIRMAN'S STATEMENT

Tanzania Portland Cement Company Limited (TPCC) confirmed its leadership in the cement market in 2016 and strengthened its brand image through quality, service excellence, and corporate social responsibility.

The Tanzanian economy grew at a pace of about 7% in 2016 (Source: TNBS) in line with the positive trend of previous years. The cement market is estimated to have grown slightly above the GDP growth rates.

In 2016, TPCC achieved similar sales volume as previous year despite the increasing competition and extra capacity in the market. This was a result of high production efficiency, recruitment of new distributors, improved internal processes and an enhanced product portfolio.

Total revenue decreased by 4% compared to 2015 due to market conditions resulting in a decrease in market selling price. TPCC reached an Operating Profit of TZS 53.8bn, 27% below 2015, mainly due to a reduction in revenue and impairment of assets. Fixed and Variable costs were broadly flat year on year.

INCOME STATEMENT	2016 TZS'000	2015 TZS'000	Change
Revenue	277,226,967	287,959,748	-4%
Cost of sales	(170,494,279)	(170,653,395)	0%
Gross profit	106,732,688	117,306,353	-9%
Selling and administrative expenses	(30,868,216)	(23,073,663)	34%
Other operating income/ (charges)	(1,698,445)	(1,176,522)	44%
Depreciation and amortisation	(20,278,937)	(19,258,213)	5%
Operating profit	53,887,090	73,797,955	-27%
Financial items	3,571,446	7,055,138	-49%
Profit before tax	57,458,536	80,853,093	-29%
Taxes on income	(17,620,744)	(24,606,586)	-28%
Profit for the year	39,837,793	56,246,507	-29%
Other comprehensive income , net of tax	(1,126,352)	(25,050)	4397%
Total Comprehensive Income	38,711,441	56,221,457	-31%
Number of Shares	179,923,100	179,923,100	
Earnings per share (TZS)	221.42	312.61	-29%

Prospects

The cement demand in Tanzania and in the East-African region has been growing steadily in recent years. TPCC, having invested in expanded capacity, the rehabilitation of the old clinker lines, improved grinding and packing facilities, internal system intergration and process improvements, is well placed to meet this growing demand.

Dividend

The Board proposes a dividend for 2016 of TZS 270 per share compared to TZS 306 per share in previous year. The proposed dividend includes two interim amounts of TZS 120 per share and TZS 90 per share paid in October 2016 and February 2017 respectively.


The Register of Members will close on 27.04.2017. The last day of trading cum dividend will be on 21.04.2017. The last dividend of TZS 60 per share will be paid on about 30 June 2017.

Appreciation

The Board would like to thank all its 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.

BALANCE SHEET	2016 TZS'000	2015 TZS'000	Change
ASSETS			
Intangible fixed assets	3,765,237	4,283,530	
Tangible fixed assets	162,188,255	177,170,678	
Non-current assets	165,953,492	181,454,208	-9%
Inventories	63,652,173	56,099,518	
Current Income Tax Recoverable	1,649,132	0	
Trade and other receivables	31,074,663	33,921,231	
Cash and cash equivalents	23,175,669	37,165,038	
Current assets	119,551,637	127,185,787	-6%
TOTAL ASSETS	285,505,129	308,639,995	-7%
EQUITY & LIABILITIES			
Equity	197,212,498	213,903,961	-8%
Long-term provisions	3,882,298	5,588,799	
Provision for deferred taxes	26,532,482	29,269,710	
Interest bearing borrowings	0	176,270	
Non-current liabilities	30,414,780	35,034,779	-13%
Short term financial liabilities	5,021	55,285	
Trade & Other Payables	39,151,361	35,033,378	
Dividend payable	18,721,470	22,004,011	
Current Income tax payable	0	2,608,582	
Current liabilities	57,877,852	59,701,256	-3%
TOTAL EQUITY & LIABILITIES	285,505,129	308,639,995	-7%

BY ORDER OF THE BOARD


Alfonso Rodriguez
Chairman of the Board
28.03.2017

CASH FLOW STATEMENT	2016 TZS'000	2015 TZS'000
Profit before tax	57,458,536	80,853,093
Depreciation & Amortisation	20,278,937	19,258,213
Interest received/ (paid)	622,489	754,225
Income taxes paid	(24,132,015)	(21,989,099)
Elimination of non cash items	1,676,640	(341,947)
Change in working capital	(4,696,943)	(14,735,647)
Cash flow from operating activities	51,207,644	63,798,838
Cash flows from investing activities	(4,713,788)	(10,417,869)
Dividend paid	(60,256,691)	(53,005,701)
Long term loan paid	(226,534)	(50,364)
Change in cash and cash equivalents	(13,989,369)	324,904
Cash and equivalents 01.01	37,165,038	36,840,134
Change in cash	(13,989,369)	324,904
Cash and equivalents 31.12	23,175,669	37,165,038