

**THE DIRECTORS OF KENYA ELECTRICITY GENERATING COMPANY LIMITED ANNOUNCE
THE AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009**

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

BALANCE SHEET AS AT 30 JUNE 2009

	Year ended 30 June 09 KShs' 000	Year ended 30 June 08 KShs' 000
Energy revenue	11,518,156	11,371,532
Other revenue	<u>1,134,232</u>	<u>176,644</u>
Total revenue	<u>12,652,388</u>	<u>11,548,176</u>
Operating expenses	<u>(8,246,999)</u>	<u>(8,011,602)</u>
Operating profit	4,405,389	3,536,574
Other income	907,211	340,264
Finance costs	<u>(756,319)</u>	<u>(798,073)</u>
Profit before tax	4,556,281	3,078,765
Tax	<u>(2,485,368)</u>	<u>2,818,114</u>
Net profit for the year	<u>2,070,913</u>	<u>5,896,879</u>
Earnings per share		
-Basic and diluted	<u>0.94</u>	<u>2.68</u>
Dividend per share		
- Final proposed.	<u>0.50</u>	<u>0.90</u>

CASH FLOW STATEMENT AS AT 30 JUNE 2009

	Year ended 30 June 09 KShs' 000	Year ended 30 June 08 KShs' 000
Balance at 1 July	3,730,280	1,839,128
Net cash flows generated from operating activities	4,619,532	6,411,855
Net cash flows used in investing activities	(3,711,502)	(6,289,117)
Net cash flows (used in)/ generated from financing activities	<u>(416,320)</u>	<u>1,768,414</u>
Balance at June	<u>4,221,990</u>	<u>3,730,280</u>

	30 June 09 KShs' 000	30 June 08 KShs' 000
ASSETS		
Non current Assets		
Property, plant and equipment	92,699,405	91,822,390
Other non current assets	<u>3,155,715</u>	<u>4,516,023</u>
	<u>95,855,120</u>	<u>96,338,413</u>
Working capital		
Current assets	12,748,759	10,655,138
Current liabilities	<u>(5,867,743)</u>	<u>(7,585,516)</u>
Net working capital	<u>6,881,016</u>	<u>3,069,622</u>
	<u>102,736,136</u>	<u>99,408,035</u>
EQUITY RESERVES AND NON CURRENT LIABILITIES		
Capital and reserves		
Share capital	5,495,904	5,495,904
Foreign currency revaluation reserve	(4,341,281)	1,109,627
Reserves	61,059,424	59,818,525
Proposed dividends.	<u>1,099,181</u>	<u>1,978,525</u>
	<u>63,313,228</u>	<u>68,402,581</u>
Non-Current liabilities	<u>39,422,908</u>	<u>31,005,454</u>
Total Equity and Liabilities	<u>102,736,136</u>	<u>99,408,035</u>

PERFORMANCE

I am pleased to report KenGen results of yet another successful trading year, in which our financial performance showed tremendous improvement with the pre-tax profit rising by 48% from Kshs.3,079 million in 2007/2008 to Kshs.4,556 million in 2008/2009.

Hydrology this year was the worst we have had in the last 75 years. As a consequence of this, units sent out declined from 4,818 million Kilowatt hours in 2008 to 4,339 million Kilowatt hours in 2009.

In spite of this, earnings in 2009 were impacted favourably by the implementing of a new Power Purchase Agreement (PPA) with KPLC which has capacity and energy charge which yielded a higher average yield of Kshs.2.42/kWh compared to Kshs.2.36kWh in 2008 and an increase in interest income.

Due to the fact that the company is cushioned by the PPA against foreign exchange fluctuations arising from translation of foreign currency denominated borrowings in the PPA, the company changed the policy on the treatment of foreign currency translations to recognize them in the statement of changes in equity.

DIVIDEND

The Board of Directors is recommending for approval by the shareholders of a final dividend at the rate of Kshs.0.50 per ordinary share.

FUTURE OUTLOOK

In line with vision 2030 and anticipated increased economic activities, consumption of electricity is expected to continue growing. In order to meet this demand the company continues to pursue its Good to Great (G2G) strategy on generation. We plan to increase generation capacity by 500MW by 2013 and another 1500MW by 2018. The focus will be on geothermal generation. We at KenGen are proactively putting all the necessary resources in place to meet the emerging growth in demand. In addition we are continuing with our capacity expansion program, rehabilitation of the existing plants, diversification of the generation modes, technological innovation and resource mobilisation. We are committed to providing sufficient and reliable electric power to the Kenyan people as well as creating value for our shareholders.

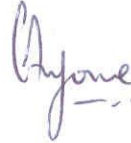
CLOSURE OF REGISTER AND DATE OF PAYMENT

The Register of Members will be closed from 23rd to 24th November 2009, both dates inclusive. If approved, the dividend will be paid, less withholding tax where applicable on or about 1st February 2010 to the shareholders whose names appear on the Register of Members at the close of business on 20th November 2009.

ANNUAL GENERAL MEETING

The fifty-seventh Annual General Meeting of the Company is scheduled to be held on Thursday, 10th December 2009 at 11.00 a.m. at the Kasarani Gymnasium, Thika Road, Nairobi.

BY ORDER OF THE BOARD



**EDWARD NJOROGE
MANAGING DIRECTOR**

Date: 15 October 2009