



KENYA ELECTRICITY GENERATING COMPANY LIMITED
UNAUDITED INCOME STATEMENT
SIX MONTHS ENDED 31st DECEMBER 2008

The Board of Directors is pleased to announce the unaudited trading results of the Company for six months ending 31st December 2008 as follows:

	Six Months to 31st December 2008	Six Months to 31st December 2007
UNITS SENT OUT (KWH'000)	<u>2,508,109</u>	<u>2,439,427</u>
	Shs.'000	Shs.'000
NON-FUEL REVENUE	5,919,137	5,827,008
FUEL REVENUE (<i>pass through</i>)	4,695,025	1,677,921
OTHER REVENUE	426,395	329,449
TOTAL REVENUE	<u>11,040,557</u>	<u>7,834,378</u>
OPERATING COST	(4,351,732)	(3,947,910)
FUEL COST (<i>pass through</i>)	(4,695,025)	(1,677,921)
OPERATING PROFIT	1,993,800	2,208,547
NET FINANCING COSTS	(428,311)	122,435
PROFIT BEFORE TAXATION	1,565,489	2,330,982
TAXATION CHARGE	<u>(391,372)</u>	<u>(582,746)</u>
NET PROFIT FOR THE PERIOD	<u>1,174,117</u>	<u>1,748,236</u>
Earnings per Share	Shs.0.5	Shs. 0.8

Results

The non-fuel revenue increased marginally by 1.6% as a result of increased generation from geothermal and hydro sources. The increase in fuel revenue by 180% was due to increased thermal generation because of low hydrology associated with current drought in the country. Other revenue includes compensation by Government of Kenya for the administrative costs of the Emergency Power Project (EPP).

Net profit for the period was Kshs. 1,174 million down from Kshs. 1,748 million same period last year due to an increase of 10% of operational costs attributable to increased thermal generation and higher financing costs.

The Board does not recommend the payment of an interim dividend.

Future Outlook

The Company has continued to pursue its Good to Great Transformation Strategy. The projects in Horizon One include Tana Redevelopment, Kindaruma, Masinga, Sangoro, Olkaria II 3rd Unit, Kipevu III, Kiambere, Olkaria IV and Ngong Wind Project. The Company is in the final phase of connecting its power stations to the SCADA system. The SCADA when fully commissioned will improve operational efficiency and reduce maintenance costs through Condition-Based-Maintenance.

Hydrology is forecasted to improve in April 2009 to boost hydro generation.

BY ORDER OF THE BOARD

EDWARD NJOROGE
MANAGING DIRECTOR & CEO

26th FEBRUARY 2009