

## **THE UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**

**The Board of Directors is happy to announce the Un-audited Results for the Six Months ended 31 December 2012.**

### **BASIS OF PREPARATION**

These unaudited condensed financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting”. They do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 June 2012, which have been prepared in accordance with IAS 1. The same accounting policies and methods of computation are followed in these interim financial statements as compared to the annual audited financial statements for the year ended 30 June 2012.

### **PERFORMANCE OVERVIEW**

I am pleased to report KenGen’s results for the six (6) months ended 31 December 2012. The Company has continued to perform well. Profit before tax increased by 14% from Kshs 2,129 million in December 2011 to Kshs 2,429 million in December 2012.

Revenue increased by 8% from Kshs 7,808 million as at 31 December 2011 to Kshs 8,432 million as at December 2012 mainly due to improved generation from main Hydro Plants and new plants.

Units sold increased by 14% from 2,660Gwhrs in December 2011 to 3,042Gwhrs during the period ending 31 December 2012. The improved hydrology during the period, coupled with the additional capacity of 52.5MW following completion of Sang’oro hydro plant-21MW, Kindaruma Unit 3 hydro plant-24MW, Eburru Geothermal plant-2.5MW and Pilot Geothermal Wellhead-5MW boosted the performance.

### **DIVIDEND**

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

### **FUTURE OUTLOOK**

The main reservoir, Masinga Dam, has remained at full capacity. We therefore anticipate normal hydro generation in the next half of the year ending 30 June 2013.

We are on course to delivering KenGen’s capacity expansion, especially on Geothermal. We shall commission the first 140MW of the Olkaria 280MW by June 2014 and the next 140MW by end of 2014.

The financing agreements for the 13.6MW and the 6.8MW Ngong Wind projects were concluded in the second quarter of 2012/2013 and the plants are expected to be commissioned by the end of 2014.

Following the successful commissioning of the 5MW Pilot Geothermal Wellhead unit which is now generating, the contract for the additional 65MW is now effective and the first of the 14 units has now been delivered. It is expected to be commissioned in the fourth quarter of this financial year and the rest by December 2014

The drilling of the 80 wells in Olkaria financed by EXIM Bank of China towards the 560MW Geothermal Power Project has commenced. We have invited the participation of potential partners under Public Private Partnerships (PPPs) framework for conversion of steam and construction of the Power Plants.

We are confident that with the continued support from Government, Development Partners and other Industry Stakeholders, KenGen is set to play its role in meeting the power demand required to drive Vision 2030.

### **BY ORDER OF THE BOARD**

**EDWARD NJOROGI, CBS**  
**MANAGING DIRECTOR & CEO**

27<sup>th</sup> February 2013

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**

	31 Dec 2012	31 Dec 2011
	KShs' million	KShs' million
Electricity Revenue	8,432	7,808
Operating Expenses	(5,144)	(5,125)
<b>Gross Profit</b>	<b>3,288</b>	<b>2,683</b>
Interest Income	429	632
Other Income	278	324
<b>Operating Profit</b>	<b>3,995</b>	<b>3,639</b>
Finance Costs	(1,566)	(1,510)
<b>Profit before Tax</b>	<b>2,429</b>	<b>2,129</b>
Tax	(770)	(639)
<b>Net Profit for the year</b>	<b><u>1,659</u></b>	<b><u>1,490</u></b>
Net (loss)/gains on revaluation of Treasury Bonds	(252)	(370)
<b>Total comprehensive Income</b>	<b><u>1,407</u></b>	<b><u>1,120</u></b>
Earnings per share		
<b>-Basic and Diluted(Kshs.)</b>	<b><u>0.75</u></b>	<b><u>0.68</u></b>

**CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

	Unaudited	Audited
	31 Dec 2012	30 June 2012
	KShs'million	KShs'million
<b>ASSETS</b>		
Property, Plant and Equip.	125,268	120,665
Other Non-current Assets	17,572	20,192
Current Assets	<u>25,986</u>	<u>22,288</u>
	<b><u>168,826</u></b>	<b><u>163,145</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	5,496	5,496
Reserves	64,772	63,365
Non-Current Liabilities	83,103	77,964
Proposed Dividends	-	1,319
Current Liabilities	<u>15,455</u>	<u>15,001</u>
	<b><u>168,826</u></b>	<b><u>163,145</u></b>

**CONDENSED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**

	31 Dec 2012	31 Dec 2011
	KShs' million	KShs' million
Balance at 1 July	436	3,116
Net cash(used in)/ generated from operating activities	(1,659)	7,453
Net cash used in investing activities	(4,652)	(6,821)
Net cash generated from / (used in) financing activities	<u>6,168</u>	<u>(367)</u>
<b>Balance at December</b>	<b><u>293</u></b>	<b><u>3,381</u></b>