

TransCentury

2012 Group Performance



INVESTING IN AFRICA





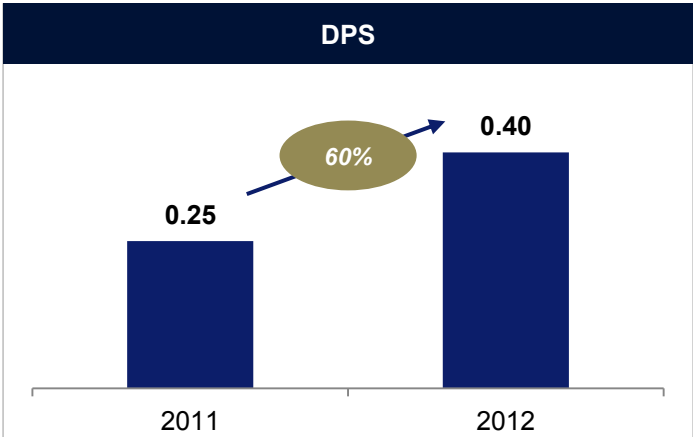
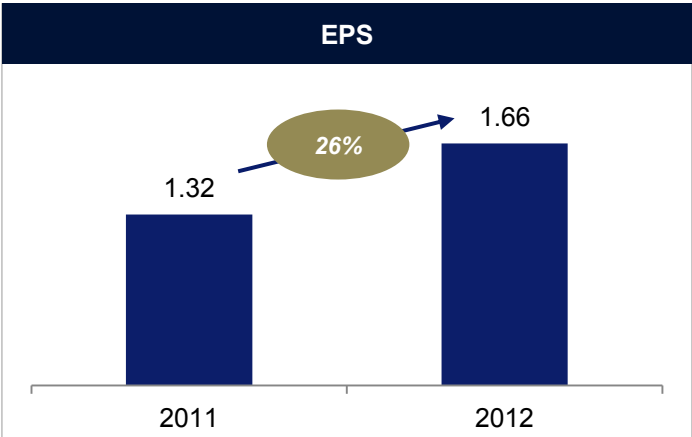
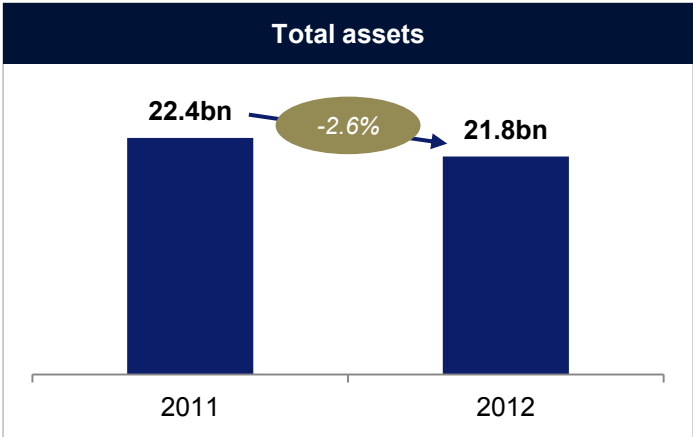
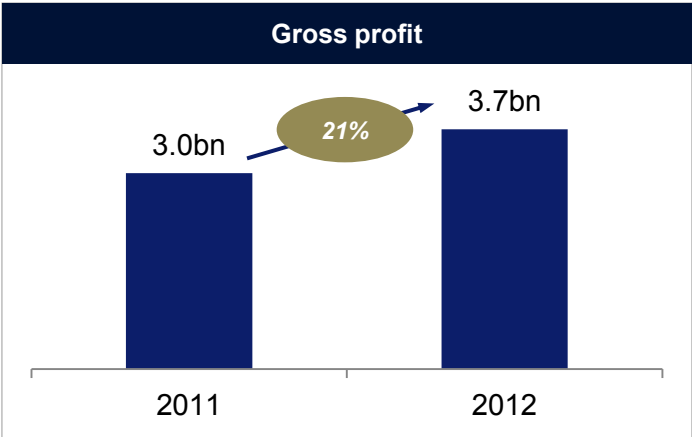
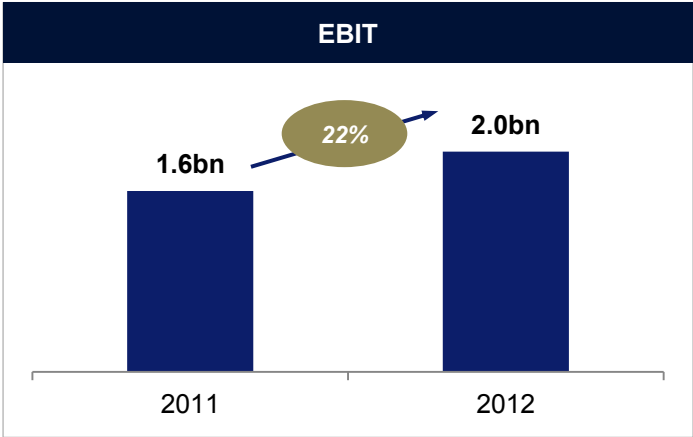
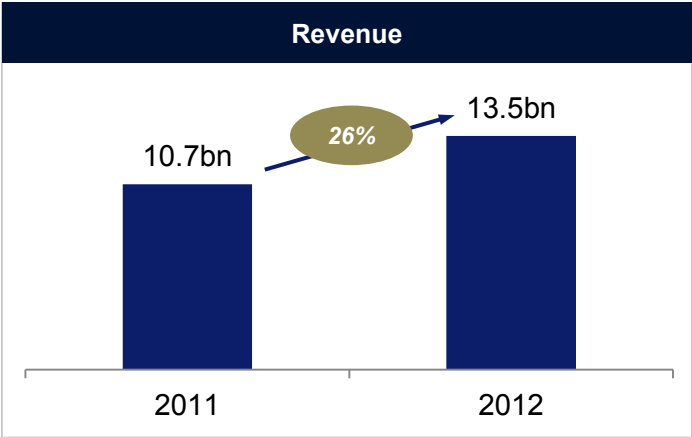
1. Group highlights

2. Financial highlights

3. Segmental performance

4. Financial statements

Group highlights



Note: Figures in KES

2012 Milestones

Power

- The power division successfully launched new market leading products during the year
 - XLPE insulated cables
 - ABC conductors
 - HFFR cables
- Successful turnaround of our cable operations in Tanzania from a PBT of KES -143m loss in 2010 to KES 236m profit in 2012.

Transport

- Kick off of the RVR rehabilitation programme; over \$100m invested towards the following:
 - Track rehabilitation
 - Locomotives and wagons refurbishment
 - IT upgrades

Engineering

- Consolidation of Civicon into TCL Engineering; joining the Avery business in this division
 - Over KES 1bn of CAPEX investment to increase capacity across the division

Affiliated

- TCL divested stake in Chai bora, Tanzanian tea blender, and redeployed capital towards core divisions





1. Group highlights

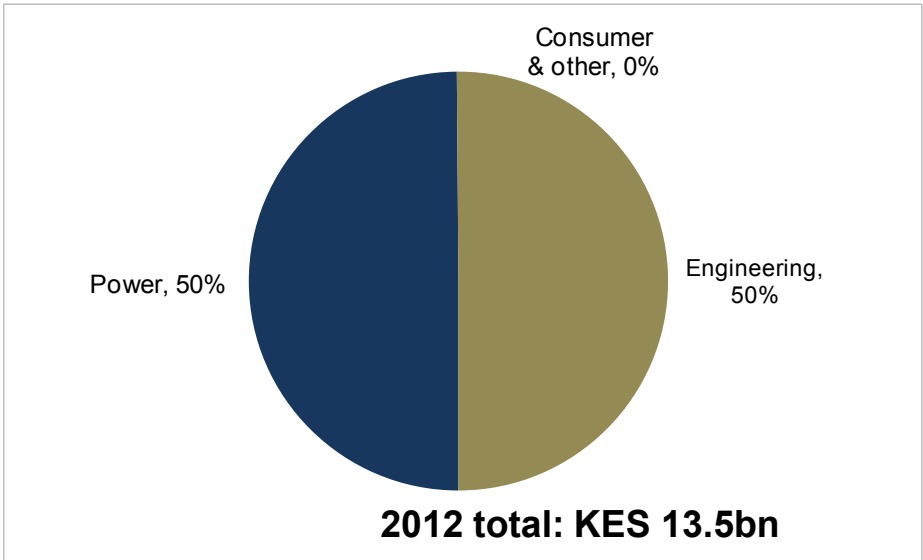
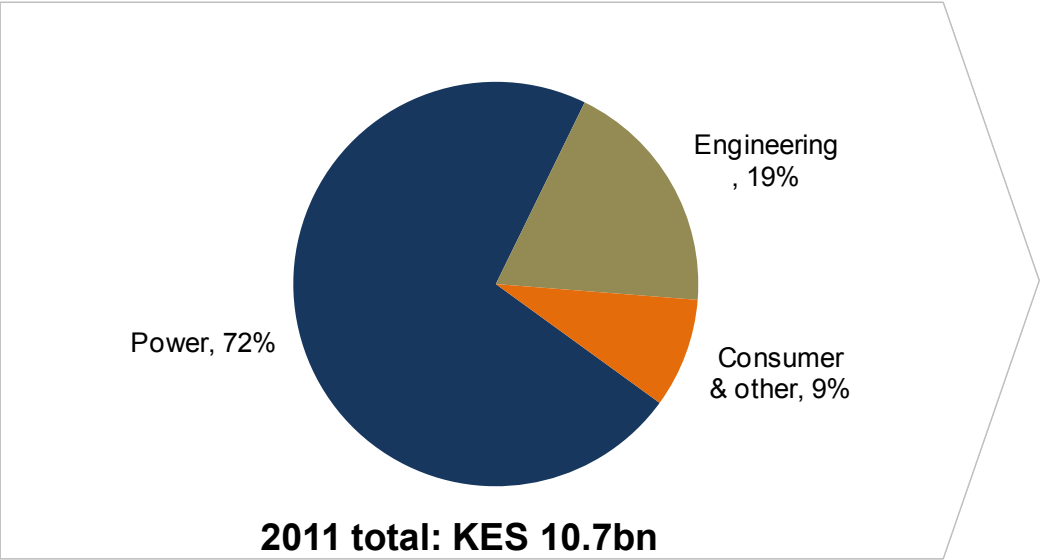
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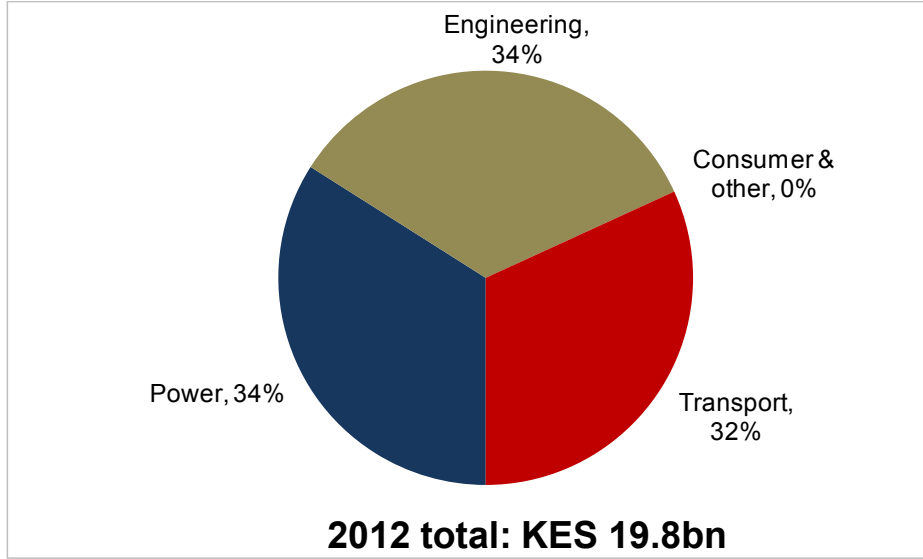
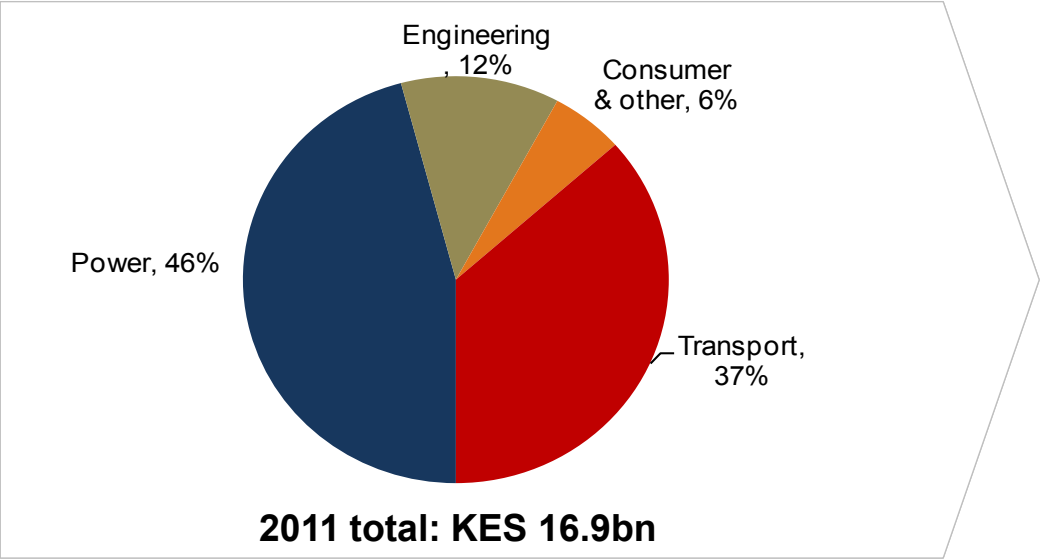
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Revenue growth and diversification

TCL revenue growth and diversification

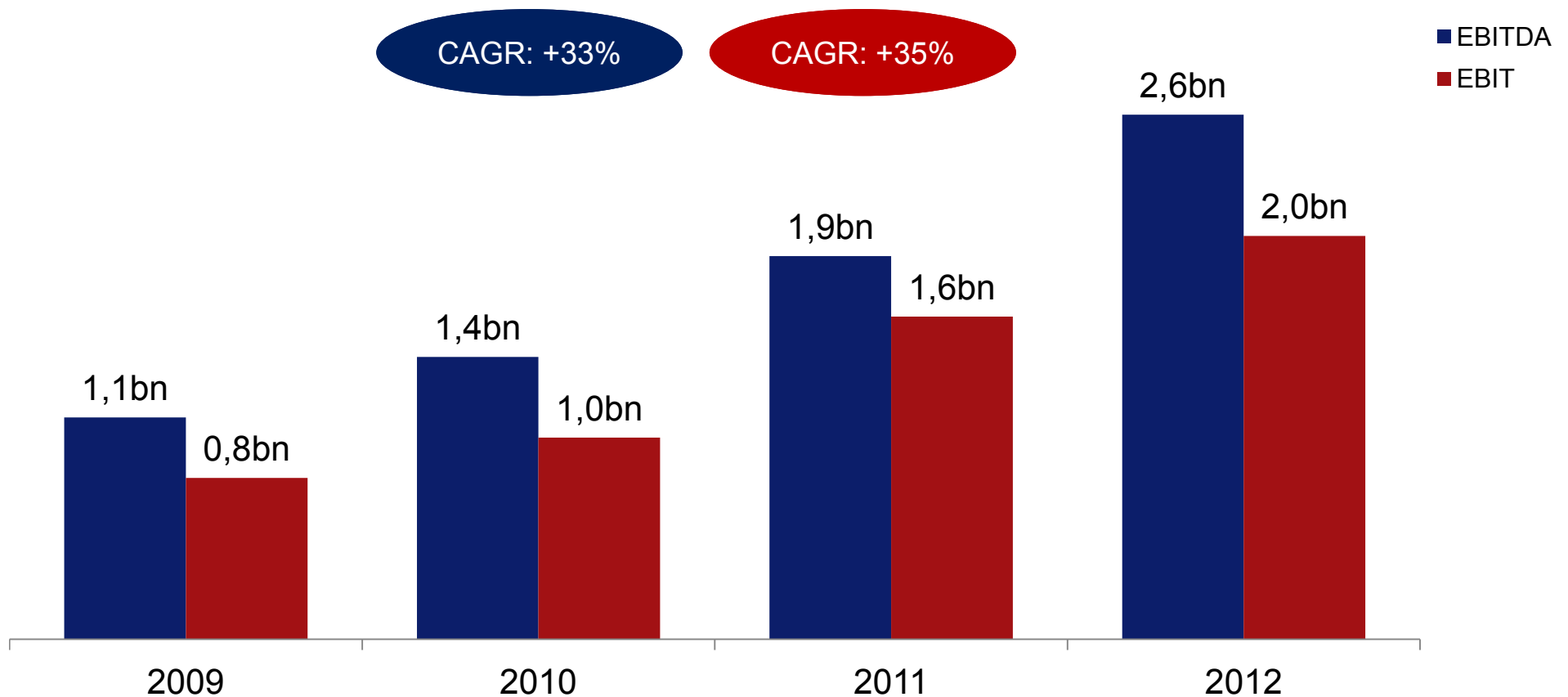


TCL revenue growth and diversification (Including RVR revenue¹)



Note1: TCL revenues adjusted to include RVR revenues

Operating profit growth



- Continued growth of operating profit, from organic growth and strategic acquisitions
 - 33% CAGR in EBITDA since 2009, from 1.1bn to 2.6bn in 2012
 - 35% CAGR in EBIT since 2009, from 0.8bn to 2.0bn in 2012
 - Sustained EBITDA margin of 18% in 2011 and 19% in 2012

Convertible bond:

- The Convertible bond allowed TCL to make the transformative investment in Civicon and unlock value in the railway
- 2012 was the first full year of impact from our convertible bond cost in our earnings
- Convertible bond interest cost at 6% is significantly lower than current local currency borrowing rates
- As at Dec 31st 2012, convertible bond stood at KES 4.6bn

Local currency borrowing:

- Highest cost of borrowing in 2012, compared to historical borrowing costs
 - Local borrowing costs began year at +20%
 - Local interest rates have since stabilised below 20%
- TCL strategy to mitigate high borrowing costs going forward is to reduce local currency borrowing, where appropriate

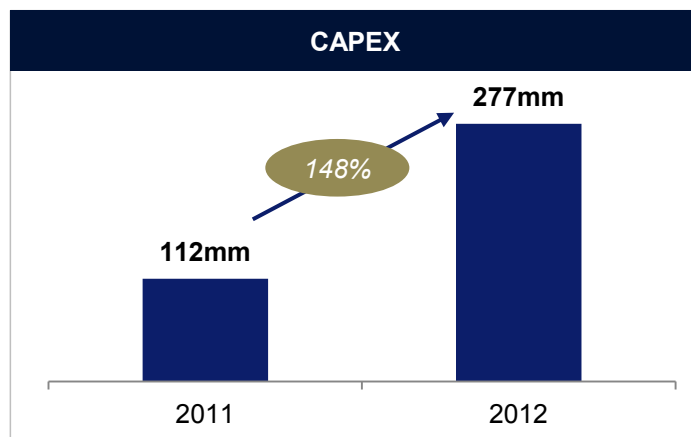
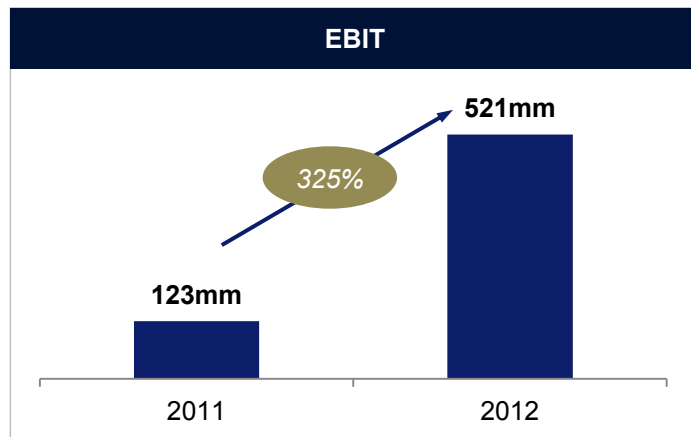
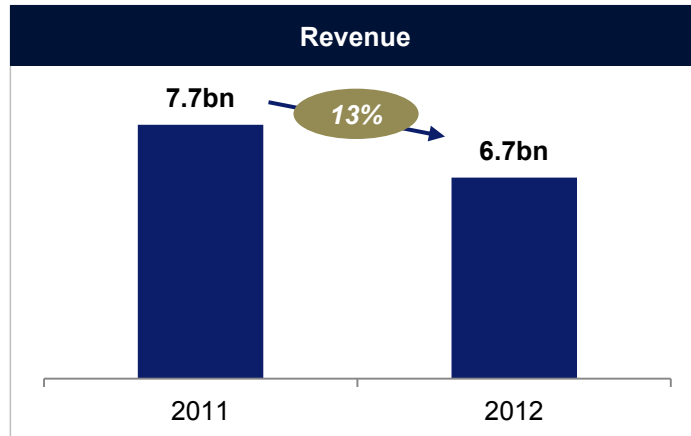


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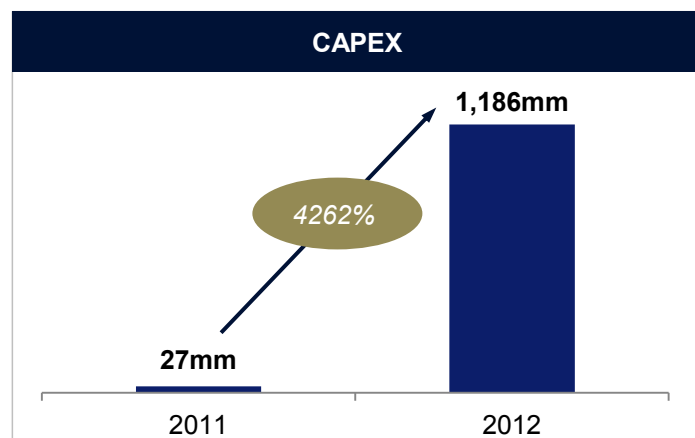
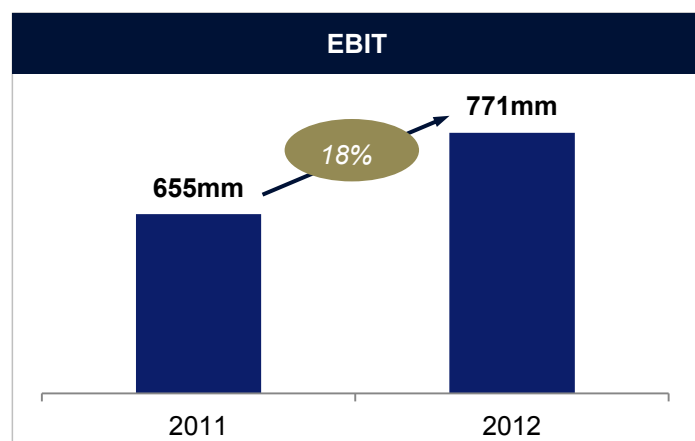
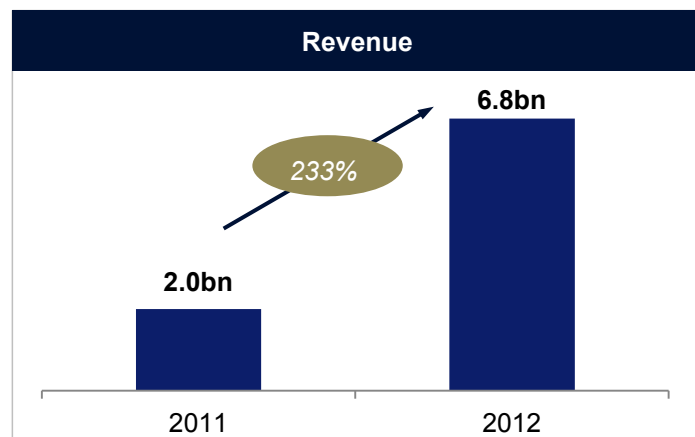
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- Revenues of the Power division decreased by 13% as commodity prices (copper and aluminium) stabilised downwards.
 - Commodity prices are generally passed through to customers
- The division recovered from 2011's depressed margins by benefitting from renewed focus on new market leading products
 - Additionally, we continue our cost cutting programme
- Continued investment in our Zambia and DRC operations to benefit from these growth geographies
 - Positive outlook for both businesses



- RVR kicked off its planned turnaround plan in 2012 after receiving its first debt drawdown in December 2011
- Over \$100m invested towards the turnaround programme by end of 2012, with the following impact:
 - Rehabilitation of over 50% of the dilapidated track
 - Refurbishment and overhaul of over 350 wagons
 - Launch of the locomotive rehabilitation and overhaul programme
 - Installation of a new ERP system
- The 2nd draw down was made in H1 2013 and will ensure continued progress of the turnaround program
 - Completion of rehabilitation and overhaul of track, locomotives and wagons
 - Installation of onboard computers in locos to increase efficiency
 - Rehabilitation of culverts and bridges



- Full year consolidation of Civicon, augmenting Avery's contribution to the Engineering business. Engineering business continued to be very active in infrastructure projects across the region
- Notable projects in the year included:
 - Large weighbridge and large gensets
 - Power generation
 - Oil and gas; upstream and downstream
 - Mining services
 - Transport infrastructure projects
 - Specialised logistics and lifting
- EBIT grew by 18% on account of increased sales, However what appears to be margin volatility is driven by projects in start up phase
- Over KES 1bn of CAPEX investment to increase capacity



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Summary Financial Statements

Income Statement

Figures in KES millions	2012A	2011A	% variance
Revenue	13,487.2	10,701.6	26,0%
Gross profit	3,673.2	3,025.2	21,4%
% of sales	27,2%	28,3%	
EBITDA	2,613.3	1,942.6	34,5%
% of sales	19,4%	18,2%	
Operating profits	1,969.4	1,618.1	21,7%
% of sales	14,6%	15,1%	
Profit before income tax	1,226.5	869.3	41,1%
% of sales	9,1%	8,1%	
Profit after income tax	740.6	616.1	20,2%
% of sales	5,5%	5,8%	
Profit after tax is attributable to:			
Equity holders of the company	455.1	356.7	
Non-controlling interest	285.5	259.4	
Profit for the year	740.6	616.1	

Summary Financial Statements

Balance sheet

Figures in KES millions	2012A	Restated 2011A	% variance
PP&E	6,866	5,818	18%
Other non-current assets	7,470	7,146	5%
Total non-current assets	14,336	12,964	11%
Inventories	1,594	1,709	-7%
Trade and other receivables	5,604	4,949	13%
Other current assets	313	2,802	-89%
Total current assets	7,510	9,460	-21%
Total assets	21,846	22,424	-3%
Loans	3,179	2,965	7%
Other non-current liabilities	752	648	16%
Total non-current liabilities	3,931	3,613	9%
Bank overdraft	355	264	27%
Long-term loan – current portion	1,398	1,338	4%
Creditors and accruals	3,883	5,715	-32%
Other current liabilities	229	409	-44%
Total liabilities	5,846	7,726	-24%
Shareholders equity	12,069	11,085	9%
Total liabilities and shareholders equity	21,846	22,424	-3%

Note: The prior period balance sheet restatement relates to a fair value adjustment for a subsidiary acquired in the prior year

For enquiries, please contact

Mumo Muthengi

Head of Capital Markets

Tel: +254 20 224 5350

Email: mumo@transcentury.co.ke

www.transcentury.co.ke