CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	KShs'000	KShs'000
Revenue	10,249,593	11,807,576
Cost of sales Gross profit	(7,668,666) 2,580,927	(8,248,302) 3,559,274
dioss pioni	2,380,927	3,339,274
Net other income	285,276	1,208,111
Operating expenses	(2,556,420)	(2,509,021)
Loss on sale of investment	(1,035,015)	(-//
(Loss)/profit before depreciation, impairment and finance cost	(725,232)	2,258,364
Depreciation and amortisation	(679,365)	(723,315)
Results from operating activities	(1,404,597)	1,535,049
Finance income	47,111	59,166
Finance costs	(756,716)	(735,625)
Net finance costs	(709,605)	(676,459)
(Loss)/profit before income tax	(2,114,202)	858,590
Income tax expense	(163,727)	(232,158)
(Loss)/profit for the year	(2,277,929)	626,432
Other comprehensive income		
Revaluation of property, plant and equipment	77.140	
Revaluation of prepaid operating lease rentals	77,140	268,161
Deffered tax on revaluations	17,715	(81,716)
Net change in fair value of available-for-sale financial assets	90,626	42,594
Exchange differences on translation of foreign subsidiaries	109,875	(63,058)
Other comprehensive income net of income tax	295,356	165,981
Total comprehensive income for the year	(1,982,573)	792,413
(Loss)/profit after tax is attributable to:		
Equity holders of the company	(2,362,677)	291,295
Non-controlling interest	84,748	335,137
Non controlling interest	04,740	333,137
(Loss)/profit for the year	(2,277,929)	626,432
Total comprehensive income for the year attributable to:	<i>(</i>	
Equity holders of the company	(2,069,737)	404,017
Non-controlling interest	87,164	388,396
Total comprehensive income for the year	(1,982,573)	792,413
rotal comprehensive meanic for the year	(1,702,373)	- , , , , , , , ,
Basic earnings per share - KShs	(8.53)	1.06
Diluted earnings per share - KShs	(8.53)	1.06
Dividend per share - KShs	-	0.40

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	2014 KShs'000	2013 KShs'000
ASSETS Non current assets Property, plant and equipment Investment property Prepaid operating lease rentals Intangible assets Quoted investments Unquoted investments Deferred tax asset	7,363,528 348,298 432,406 2,539,117 301 539,353 5,992	6,630,211 282,868 446,703 2,457,864 316 5,237,133 944
Current assets	11,228,995	15,056,039
Trade and other receivables Tax receivable Cash and cash equivalents	1,860,008 5,886,588 194,804 293,263	1,540,428 6,843,673 38,938 361,195
	8,234,663	8,784,234
TOTAL ASSETS	19,463,658	23,840,273
EQUITY AND LIABILITIES Capital and reserves Share capital Share premium Revenue reserves Translation reserve Available-for-sale reserve Revaluation reserve Proposed dividends	140,142 565,101 1,278,346 249,935 330,813 994,385	136,975 379,717 3,286,015 112,139 240,187 932,787 109,580
Total equity attributable to equity holders of the company Non-controlling interest Convertible bond	3,558,722 2,536,003 5,386,973	5,197,400 2,888,986 5,132,002
Total equity	11,481,698	13,218,388
LIABILITIES Non current liabilities Deferred tax liability Provision for staff gratuity Long term loan – non-current portion	962,155 59,148 1,797,704	884,418 43,673 3,786,665
49.199	2,819,007	4,714,756
Current liabilities Bank overdraft Long term loan - current portion Trade and other payables Tax payable Unclaimed dividends	748,023 1,725,750 2,669,275 19,661 244	491,348 1,833,357 3,562,072 20,108 244
	5,162,953	5,907,129
Total liabilities	7,981,960	10,621,885
TOTAL EQUITY AND LIABILITIES	19,463,658	23,840,273

CONSOLIDATED STATEMENT OF CASHFLOWS

AS AT 31 DECEMBER 2014

	2014 KShs'000	2013 KShs'000
Cash (used in)/generated from operations	(158,567)	548,685
Income tax paid Dividends paid to shareholders of the company Dividend paid to non-controlling interest	(212,853) (109,580) (88,059)	(418,576) (109,580) (90,488)
Net cash flows used in operating activities	(569,059)	(69,959)
Net cash flows generated from/(used in) investing activities Net cash flows (used in)/generated from financing activities Net decrease in cash and cash equivalents	2,447,243 (2,202,791) (324,607)	(1,265,633) 1,266,428 (69,164)
Cash and cash equivalents at the beginning of the year	(130,153)	(60,989)
Cash and cash equivalents at the end of the year	(454,760)	(130,153)



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TRANSCENTURY LIMITED

We have audited the financial statements of TransCentury Limited which comprise the consolidated and company statements of financial position at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and assessments, we consider internal control relevant to the entiry's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to

In our opinion, the financial statements give a true and fair view of consolidated and company financial position of TransCentury Limited at 31 December 2014, and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act.

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Kenyan Companies Act we report to you, based on our audit, that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and
- (iii) The statement of financial position of the company is in agreement with the

The Engagement Partner responsible for the audit resulting in this independent auditors' report is FCPA Eric Aholi - P/1471.

KPMG Kenya, Certified Public Accountants Date: 23rd April 2015

OVERVIEW OF 2014 PERFORMANCE

TransCentury Limited ("TCL" or the "Group") is pleased to announce its results for the year ended 31 December 2014. The Group recorded a revenue of KES 10.2bn and a net loss of KES 2.3bn. The financial performance was adversely affected by a 36% drop in the revenue of the Engineering Division due to a number of delayed projects which have since commenced in Q1 2015. Despite anotable reduction of 12% in the London Metal Exchange (LME) prices, the Power Division recorded a 7% growth in revenue attributed to increased volumes driven by new markets

The sale of the stake in Rift Valley Railways (RVR) significantly contributed to the loss in 2014. The Group through its wholly owned subsidiary, Safari Rail Company Limited ("Safari Rail"), disposed of its entire 34% shareholding inKU Railways Holdings Limited ("KURH") on 31st March 2014 by exercising a PUT Option as this investment failed to meet return targets set by the Group.The Group realised USD 43.7m (KES 3.8bn) from the sale, which saw it recover its entire cash investment in RVR. The funds have been redeployed towards debt reduction andgrowth capital in our existing Power and Engineering Divisions

The Group continues to focus on growing its Operating Divisions and developing selective infrastructure projects which are synergistic to its operations. The business outlook is positive with growth prospects in both domestic and regional markets including major infrastructure projects both ongoing and planned across the region. The Company has secured a strong pipeline of Infrastructure projects and together with an improved cost base forecasts a return to profitability in 2015. The key areas of opportunity include:

- Power Infrastructure: Significant growth is expected from on-going programs by utilities throughout the region to rehabilitate existing grids, increase new connections and augmentpower generation. The enforcement of the Government's policy on local sourcing of key products in the power sector from local manufacturers remains key. Our expanded and modernized plant in Kenya will be fully commissioned by Q2 of 2015 and will provide additional capacity and flexibility to offer a wide product range to cover the Eastern and Central African region. The development of additional power generation capacity is a significant opportunity as the Group looks to develop new power plants in 2015 (e.g. Menengai Genthermal Power Plant).
- develop new power plants in 2015 (e.g. Menengai Geothermal Power Plant).

 Transport Infrastructure: The increasing level of Government and private participation in infrastructure projects to support growth in the transportation sector such as the 10,000 km annuity financed road project in Kenya, where the Group was recently shortlisted as the preferred bidder for lot 1 of the annuity roads program is a major opportunity for the Group.
- Oil and Gas Infrastructure: The discovery of natural resources such as on-shore oil in Northern Kenya and the large gas deposits in Southern Tanzania is creating significant opportunities as the Group continues to serve its oil and gas clients on their infrastructure needs.
- Mining Infrastructure: The development of the nascent mining sector leading to new mine builds in East, Central and Southern Africa region continues to be an area of growth for the Group, particularly in DR Congo

Lastly, to minimize execution risk, the Group continues to focus on building strategic relationship with key technical partners, who have a strong track record for delivering similar infrastructure projects internationally.

By Order of the Board Virginia Ndunge, Company Secretary 23rd April 2015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014 for sale KShs'000 3,102,831 7,494,041 Balance at 1 January 2013 136,975 4,902,963 Total comprehensive income for the year net of tax Net profit after tax 626,432 130,512 Revaluation of property, plant and equipment net of deferred tax 130,512 55,933 186,445 Exchange adjustment (63.176) (63.176) 118 (63.058) Net change in fair value of available-for-sale financial assets Transfer to translation reserve 42,594 42,594 8,497 (8,497) Transfer from translation reserve (7,174)2,792 Total other comprehensive incom Total comprehensive income 165,981 404,017 792,413 Transactions with owners of the company Dividend paid (109,580) (90,488) (200,068) (109,580)Proposed dividends (109,580) (200,068) (90,488) Balance at 31 December 2013 136,975 379,717 932,787 112,139 240,187 3,286,015 109,580 5,197,400 2.888.986 8,086,386 Total comprehensive income for the year net of tax Net profit after tax (2,362,677) (2,362,677)84,748 (2,277,929) Other comprehensive inco Revaluation of property, plant and equipment net of deferred tax Transfer to deferred tax 5,920 5,920 17,715 Exchange adjustment 122,394 122,394 (12,519) 109,875 Net change in fair value of available-for-sale financial assets (58,599) Transfer from translation reserve Transfer from NCI 37,137 (887) 312,698 348,948 (348,948) Total other comprehensive income Total comprehensive income 295,356 (1,717,649) 137,796 (264,924) (1,982,573) Transactions with owners of the company Contributions and distributions Issue of additional shares 188,551 3,167 185,384 188,551 Dividend paid (109.580) (109.580) (88.059) (197.639) roposed dividends 78,971 3,558,722 140,142

The financial statements were approved by the Board of Directors on 23rd April 2015 and were signed on its behalf by

Mr. Z.G. Mbugua - Chairman Dr. G. Kiuna - Director

Balance at 31 December 2014

A full copy of the Group Financial Statements including explanatory notes will be available on our website www.transcentury.co.ke from Thursday, 30th April 2015. For further enquiries, please contact us on: investor@transcentury.co.ke

994,385

249,935

330,813

1,278,346

2,536,003

6,094,725

565,101

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