

Consolidated Statement of Comprehensive Income for the six months ended 30 June 2013

	2013	2012
	Kshs'000	Kshs'000
Turnover	7,084,507	7,064,010
Profit from operating activities	1,027,327	996,954
Net finance costs	(437,472)	(432,815)
Profit before income tax	589,855	564,139
Income tax expense	(209,235)	(238,050)
Profit for the period	380,620	326,089
Profit from operations attributable to:		
Equity holders of parent company	244,184	82,389
Non-controlling interest	136,436	243,700
Profit for the period	380,620	326,089
Basic and Diluted Earnings per share	0.89	0.30

Consolidated Statement of Financial Position as at 30 June 2013

	2013	2012
	Kshs'000	Kshs'000
Assets		
Non-current assets	14,091,193	12,899,293
Current assets	7,675,492	6,666,111
Total assets	21,766,685	19,565,404
Equity and liabilities		
Share Capital	136,975	136,975
Reserves	4,790,156	4,317,580
Non-controlling interest	2,656,226	2,832,460
Convertible bond	4,966,180	4,349,573
Non-current liabilities	4,291,266	4,205,924
Current liabilities	4,925,882	3,722,892
Total equity and liabilities	21,766,685	19,565,404

Consolidated Statement of Cash flows for the six months ended 30 June 2013

	2013	2012
	Kshs'000	Kshs'000
Cash(used)/ generated from operations	316,581	(1,278,335)
Income taxes paid	(234,812)	(519,505)
Cash generated from operating activities	81,769	(1,797,840)
Cash used in investing activities	(322,341)	(816,749)
Cash generated from financing activities	540,851	199,338
Increase/(decrease) in cash and cash equivalents	300,279	(2,415,251)
Cash and cash equivalent at 1 January	(60,991)	2,495,403
Cash and cash equivalent at 30 June	239,288	80,152

Consolidated Statement of Changes in Equity for the six months ended 30 June 2013

	2013	2012
	Kshs'000	Kshs'000
Share capital	136,975	136,975
Share premium	379,717	379,717
Revaluation reserve	793,778	620,572
Available for sale reserve	151,809	227,126
Revenue reserve	3,351,806	2,838,430
Exchange reserve	113,046	251,735
Total equity attributable to equity holders of company	4,927,131	4,454,555
Non-controlling interest	2,656,226	2,832,460
Total Equity	7,583,357	7,287,015

Commentary

Performance

The Group turnover remained stable as compared to the same period last year despite the power business recording a 14% decline in turnover due to a marked reduction in World metal prices. The engineering business experienced a 33% growth in turnover compared to same period last year driven mainly by new projects as well as significant growth of our operations in supporting new Mine builds across the region. The Group's net earnings increased by 17% mainly driven by improved gross margins attributed to improved management of direct costs within our Power Infrastructure and Engineering businesses.

Outlook

The Group's growth and profitability outlook remains positive with the continued strong performance of our Power Infrastructure and Engineering businesses. We are further encouraged by the progress made by Rift Valley Railways (RVR) where the sustained capital investments over the past 18 months have resulted in the business turning around and achieving break-even in H1 2013. This is a commendable milestone for RVR and we expect that with continued investments RVR will for the first time achieve profitable operations

going forward and start to contribute towards Group earnings.

By Order of the Board

Virginia Ndunge
Company Secretary
Nairobi
August 7, 2013