

INTERIM STATEMENT TO SHAREHOLDERS GROUP UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME:

	2014 KShs '000	2013 KShs '000
Turnover	4,953,340	7,084,507
(Loss)/Profit from operating activities	(1,148,479)	1,027,327
Net finance costs	(383,714)	(437,472)
(Loss)/Profit before income tax	(1,532,193)	589,855
Income tax expense	(98,635)	(209,235)
(Loss)/Profit for the period	(1,630,828)	380,620
(Loss)/Profit from operations attributable to:		
Equity holders of parent company	(1,622,361)	244,184
Non-controlling interest	(8,467)	136,436
(Loss)/Profit for the period	(1,630,828)	380,620
Basic and diluted earnings per share	(5.92)	0.89

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	2014 KShs '000	2013 KShs '000
Assets		
Non-current assets	10,608,866	14,091,193
Current assets	8,540,292	7,675,492
Total assets	19,149,158	21,766,685
Equity and liabilities		
Share capital	136,975	136,975
Reserves	3,302,394	4,790,156
Non-controlling interest	2,821,971	2,656,226
Convertible bond	5,059,686	4,966,180
Non-current liabilities	2,741,857	4,291,266
Current liabilities	5,086,275	4,925,882
Total equity and liabilities	19,149,158	21,766,685

RESULTS

TransCentury Limited ("TCL" or the "Group") announces its financial results for the six month period to 30 June 2014 in line with the profit warning released on 15 April 2014. The revenue in the Power Division grew by 13% attributed to increased volumes driven by new markets. However, the overall decline in revenue is attributed to the delayed execution of several major construction projects in our Engineering Division which have since commenced in the second half of the year.

The decline in net earnings is attributed to the fair value loss on the disposal of the entire 34% shareholding in KU Railways Holdings Limited ("KURH"), the lead investor in Rift Valley Railways ("RVR") to Africa Railways Limited on 31 March 2014. The Group realised USD 43.7M (KES 3.8Bn) from the sale which saw it recover its entire cash investment in RVR. The proceeds have been redeployed towards other higher return investment opportunities that are expected to improve both the financial position and future profitability of the Group.

OUTLOOK

The outlook is positive for our core businesses with a strong pipeline of projects now underway. The recent award of a Geothermal Power Generation Plant also points towards a strong recovery for the Group.

The Group has invested proceeds from the RVR exit into expansion and modernization of our manufacturing plants in anticipation of increased demand and regional infrastructure development.

By Order of the Board
Virginia Ndunge
Company Secretary
Nairobi
21 August 2014