



LAFARGE ZAMBIA Plc

Results for the half year ended 30 June 2014

In compliance with the requirements of the Securities Act, Cap 354 of the Laws of Zambia and the listing rules of the Lusaka Stock Exchange, Lafarge Zambia Plc announce the unaudited results for the half year ended 30 June 2014.

H1 OPERATIONAL AND FINANCIAL RESULTS IMPROVED DESPITE INCREASINGLY CHALLENGING ENVIRONMENT

H1 2014 PROFIT AFTER TAX UP 66% vs. H1 2013 • INTERIM 2014 DIVIDEND DECLARED AT ZMW 0.75 PER SHARE.

First Half Key Figures

- Cement production up by 13% to 587,000 tonnes.
- Sales turnover up by 27% to ZMW 614 million.
- Profit before tax up by 57% to ZMW 271 million.
- Profit after tax up by 66% to ZMW 181 million.
- Company's earnings per share grew by 66% to ZMW 0.90

First Half Company Highlights:

- Results improved despite the fact that both domestic and export markets have been particularly challenging with stiffening competition, cost inflation and a number of changes in the regulatory environment.
- Thanks to the development of innovative products (Roadcem, Wallcrete) and logistical solutions tailored to the needs of our customers, sales volumes continued to improve. Cement production grew 13% vs. H1 2013 to reach close to 600,000 tonnes, driven by improved industrial performance at Chilanga and Ndola Plants.
- Profit after tax is up 66% vs. H1 2013. This growth is largely driven by favorable volumes, the launch of cost control measures, as well as improved industrial performance and positive foreign exchange gains.
- The financial position and cash flow of the Company remained solid with strong cash position and no external debt. The dividend declared for 2013 was paid out in the second quarter of the year.
- The Company successfully engaged in the Free Float Compliance Programme together with the Lusaka Stock Exchange and has a stronger, broader than ever shareholder base.
- At a meeting of the Board of Directors held on 5 August 2014 an interim dividend of ZMW 0.75 per share for the financial year ending 31 December 2014 was declared.

Emmanuel Rigaux, Chief Executive Officer of Lafarge Zambia, said:

"Our priority to improve our level of customer service through innovative new products, a refocused sales and customer service team, and state-of-the-art logistical solutions, have started to show results. Together with improvements in operational and industrial performance at our Ndola and Chilanga Plants, we have managed to attain encouraging first half results despite a challenging environment in Zambia and key export markets.

We expect that our continued efforts both on the customer side and on the cost control side will enable us to grow profitably and meet the needs of our domestic and export customers, with a strong focus on infrastructure and mining projects both in Zambia and in the DRC.

Our capacity expansion projects both in Ndola and Chilanga currently underway will enable us to remain the most innovative and preferred supplier of construction solutions in Zambia and the DRC".

Directorate:

There were no changes in the directorate during the first half of the year.

Outlook:

Demand is expected to remain strong for the rest of the year. Innovative products, services and solutions will be introduced as required to satisfy the growing demand in the construction sector.

Results for the half year ended 30 June 2014

<i>Kwacha Thousands</i>	2014	2013
Condensed Statement of Comprehensive Income for the period ended 30 June		
Revenue	614,363	482,812
Profit before interest and tax	229,634	154,665
Net Financing Income	4,528	7,882
Sundry Revenue	0	137
Net Exchange gain	37,268	10,545
Profit before tax	271,430	173,228
Income tax expense	(90,641)	(64,663)
PROFIT FOR THE HALF YEAR	180,789	108,566
Profit Attributable to:		
Equity holders of the parent company	139,876	91,248
Minority interest	40,913	17,318
Basic and diluted earnings per share (Kwacha per share)	0.904	0.543

Kwacha Thousands

Condensed Statement of Financial Position as at 30 June

	2014	2013
Net assets employed:		
Property, plant and equipment	648,793	638,869
Investments	5,910	5,910
Net current assets	534,154	673,019
	1,188,857	1,317,798
Liabilities due after one year:		
Deferred liabilities	935	784
Deferred tax	167,920	167,919
Net Current Liabilities	403,501	230,332
	616,501	918,763
Financed by:		
Share capital	(10,002)	(10,002)
Reserves	(606,499)	(908,761)
	(616,501)	(918,763)

Condensed Statement of Cash Flow for the period ended 30 June

	2014	2013
Net Cash from operating activities	79,445	131,143
Net Cash used in investing activities	(5,251)	(558)
Net Cash utilised in financing activities	(362,115)	(144,968)
Decrease in cash and cash equivalents	(287,920)	(14,383)
Cash and cash equivalents at beginning of the year	536,479	575,001
Cash and cash equivalents at the end of June	248,559	560,618

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