ANNUAL REPORT
TAARIFA YA MWAKA
2011

SIMBA CEMENT

A Quality product from Tanga Cement Company Limited

A dividend of 25% of net profit after tax is proposed and consequently the Board has recommended final dividend of Tzs 47 per share. This amounts to Tzs 3 billion.

Chairperson's Statement

As a major contributor to the Tanzanian economy, I am proud of the positive performance delivered by the employees of the Tanga Cement Company during 2011.

During the period under review the Company was well positioned to take advantage of the growth in cement demand in the region and was able to meet market requirements comfortably. Although slightly lower than the growth achieved in previous years, sales volumes and revenues increased in line with market demand.

The growth in sales revenue was, however, offset by a sharp increase in the cost of sales when compared to 2010. This was largely due to a major refurbishment of the plant, resulting in a higher than normal proportion of imported clinker being used in the manufacturing process during the first quarter of the year. This was further aggravated by a substantial increase in energy costs and by difficulties encountered due to the unreliable supply of electricity.

The depreciation of the shilling also impacted negatively on the Company's financial performance, as a significant proportion of costs are incurred in foreign currencies.

Although selling and administrative costs were below budget, the increased production costs resulted in a 17% reduction in the Company's earnings before interest, tax and depreciation compared to 2010.

Prospects
With the expected growth in demand for cement the outlook is very positive.

In anticipation of expected growth within the construction industry, the Tanga Cement Company has prepared itself to meet the increase in demand.

With its reputation for high quality and with an excellent distribution network in place, the Company's sales volumes are expected to increase at least in line with market growth.

Dividends
A dividend of 25% of net profit after tax is proposed and consequently the Board has recommended final dividend of Tzs 47 per share. This amounts to Tzs 3 billion.

Closure of Share Register
The Register of Members will close on 8 May 2012. The last day of trading cum dividend will be 30 April 2012. The dividend will be paid on or about 31 May 2012.

In conclusion
The positive outlook in the market presents Tanga Cement Company with many opportunities. The Company is well positioned to take full advantage of these by executing its misison of developing, producing and distributing high quality cement, related products and services in a sustainable manner to satisfy its customers' expectations.

We look forward to building on the many successes achieved in 2011.

Prof. Samuel Wangwe
Acting Chairperson

Gawio la asilimia 25 ya faida halisi baada ya kodi linapendekezwa na hivyo Bodi ya Wakurugenzi imependekeza gawio la mwisho wa shilingi 47 kwa kila hisa. Hii ni jumla ya shilingi bilioni 3.

Waraka wa Mwenyekiti

Kama mchangiaji mkubwa wa uchumi wa Tanzania, ninayo fahari ya utendaji chanya uliotolewa na wafanyakazi wa Kampuni ya Tanga Cement katika kipindi cha mwaka 2011.

Wakati wa kipindi hiki Kampuni ilikuwa kwenye nafasi nzuri ya kuchukua faida ya ukuaji wa mahitaji ya saruji katika kanda na iliweza kukidhi mahitaji ya soko bila usumbufu. Ingawa ukuwaji wa mafanikio ulikuwa chini kidogo ukilinganisha na mafanikio yaliyopatikana miaka ya nyuma, mauzo pamoja na mapato viliongezeka kulingana na mahitaji ya soko.

Ukuaji katika mapato ya mauzo ulikuwepo, hata hivyo, ulikabiliwa na kuongezeka kwa kasi kwa gharama ya mauzo ikilinganishwa na mwaka 2010. Hii kwa kiasi kikubwa ilitokana na ukarabati mkubwa wa mtambo, na kusababisha asilimia kubwa ya klinka kutoka nje kutumika katika mchakato wa uzalishaji katika robo ya kwanza ya mwaka. Hii ilichochewa kwa kiasi kikubwa na ongezeko kubwa la gharama za nishati na matatizo yaliyojitokeza kutokana na usambazaji usio wa uhakika wa umeme.

Kushuka kwa thamani ya shilingi pia kuliathiri utendaji wa Kampuni kifedha, hii ni kutokana na sehemu muhimu ya gharama zilizotumika zilikuwa katika fedha za kigeni.

Ingawa gharama za mauzo na undeshaji zilikuwa chini ya bajeti, kuongezeka kwa gharama za uzalishaji kulisababisha upungufu wa asilimia 17 katika mapato ya Kampuni kabla ya riba, kodi na uchakavu wa mitambo/samani ikilinganishwa na mwaka 2010.

Matarajio

Kutokana na matarajio ya ukuaji wa mahitaji ya saruji mtazamo unaonekana chanya.

Katika matarajio ya ukuaji ndani ya sekta ya ujenzi, Kampuni ya Tanga Cement imejiandaa ili kukidhi ongezeko la mahitaji.

Na kutokana na sifa yake ya ubora wa hali ya juu na mtandao bora wa usambazaji uliopo, mauzo ya kampuni yanategemewa kuongezeka angalau kuendana na ukuaji wa soko.

Gawio

Gawio la asilimia 25 ya faida halisi baada ya kodi linapendekezwa na hivyo Bodi ya Wakurugenzi imependekeza gawio la mwisho la shilingi 47 kwa kila hisa. Hii ni jumla ya shilingi bilioni 3.

Kufungwa kwa Daftari/Rejesta ya Hisa

Daftari la/ Rejesta ya wanahisa lita/itafungwa tarehe 8 Mei 2012. siku ya mwisho ya biashara na gawio itakuwa 30 Aprili 2012. Gawio la mwisho litalipwa tarehe au kufikia 31 Mei 2012.

Kwa kumalizia

Mtazamo chanya katika soko unatoa fursa nyingi kwa Kampuni ya Tanga Cement. Kampuni imejiweka katika nafasi nzuri ya kuchukua faida kamili kwa utekelezaji wa mikakati yake ya kuendeleza, kuzalisha na kusambaza saruji yenye ubora wa hali ya juu, na bidhaa nyinginezo zinazohusiana pamoja na huduma kwa njia endelevu ili kukidhi matarajio ya wateja wake.

Tumejipanga kuendeleza yale yaliyofanikiwa katika kipindi cha mwaka 2011.

Prof. Samuel Wangwe
Kaimu Mwenyekiti

Audited Results for the Year Ended 31 December 2011

Consolidated Statement of Comprehensive Income

for the year ended 31 December

	Group 2011 Tzs'000	Company 2011 Tzs'000	Group 2010 Tzs'000	Company 2010 Tzs'000
Revenue	233,863,262	161,435,718	199,428,259	149,181,278
Cost of sales	(170,126,923)	(109,400,977)	(131,843,967)	(89,465,874)
Gross profit	**63,736,339**	**52,034,741**	**67,584,292**	**59,715,404**
Other operating expenses	(1,916,965)	(2,118,455)	(976,183)	(1,232,238)
Selling and administrative expenses	(18,692,079)	(10,585,590)	(14,762,957)	(8,935,270)
Depreciation and amortisation	(5,353,534)	(5,001,140)	(5,698,387)	(5,489,312)
Net profit from operations	**37,773,761**	**34,329,556**	**46,146,765**	**44,058,584**
Dividend received	-	1,680,000	-	651,000
Gain in fair value of pre acquisition shares	-	-	698,681	698,681
Share of profit of associates	-	-	15,538	15,538
Net finance costs	(688,563)	(561,139)	(802,141)	(727,735)
Net profit before taxation	**37,085,198**	**35,448,417**	**46,058,843**	**44,696,068**
Taxation	(14,794,279)	(13,519,747)	(13,485,040)	(12,501,850)
Net profit for the year	**22,290,919**	**21,928,670**	**32,573,803**	**32,194,218**
Total Comprehensive Income	**22,290,919**	**21,928,670**	**32,573,803**	**32,194,218**
Attributable to:				
Owners of the Parent	21,265,038	21,928,670	31,681,935	32,194,218
Non-Controlling Interest	1,025,881	-	891,868	-
Total Comprehensive Income	**22,290,919**	**21,928,670**	**32,573,803**	**32,194,218**
Weighted average number of shares in issues	**63,671,045**	**63,671,045**	**63,671,045**	**63,671,045**
Earnings per share (Tzs)	**350**	**344**	**512**	**506**
Dividends per share (Tzs)		**86**		**247**

Consolidated Statement of Financial Position

as at 31 December

	Group 2011 Tzs'000	Company 2011 Tzs'000	Group 2010 Tzs'000	Company 2010 Tzs'000
ASSETS				
Non-current assets				
Property, plant and equipment	105,237,748	99,612,508	101,841,407	96,355,635
Intangible assets	2,827,792	-	2,827,792	-
Due from Employee's Share Trust	320,813	320,813	317,376	317,376
Investment in Group	-	5,468,104	-	5,468,104
	108,386,353	**105,401,425**	**104,986,575**	**102,141,115**
Current assets				
Inventories	36,114,556	32,497,799	30,962,073	25,242,443
Accounts receivable third party and other	9,087,416	8,428,127	8,152,341	7,121,056
Cash and bank	12,683,619	9,760,646	9,566,666	8,182,860
	57,885,591	**50,686,572**	**48,681,080**	**40,546,359**
TOTAL ASSETS	**166,271,944**	**156,087,997**	**153,667,655**	**142,687,474**
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued share capital	1,273,421	1,273,421	1,273,421	1,273,421
Retained earnings	113,713,675	115,318,590	105,370,632	106,311,915
Equity attributable to owners of the parent	**114,987,096**	**116,592,011**	**106,644,053**	**107,585,336**
Non-Controlling interest	1,841,493	-	1,935,612	-
	116,828,589	**116,592,011**	**108,579,665**	**107,585,336**
Non-current Liabilities				
Provision for site restoration	65,447	65,447	61,446	61,446
Interest bearing loans	-	-	2,500,000	2,500,000
Deferred tax liability	17,563,609	17,563,609	15,045,642	15,045,642
	17,629,056	**17,629,056**	**17,607,088**	**17,607,088**
Current liabilities				
Interest bearing loans	2,500,000	2,500,000	5,000,000	5,000,000
Bank overdraft	934,367	-	868,676	-
Trade and other payables	27,270,891	18,373,871	21,279,187	12,256,301
Income tax payable	1,109,041	993,059	333,039	238,749
	31,814,299	**21,866,930**	**27,480,902**	**17,495,050**
TOTAL EQUITY AND LIABILITIES	**166,271,944**	**156,087,997**	**153,667,655**	**142,687,474**

Consolidated Statement of Cash Flows

for the year ended 31 December

	Group 2011 Tzs'000	Company 2011 Tzs'000	Group 2010 Tzs'000	Company 2010 Tzs'000
Net profit from operations	37,773,761	34,329,556	46,146,765	44,058,584
Depreciation	5,353,534	5,001,140	5,741,062	5,489,312
Other non-cash items	4,001	4,001	(299,228)	29,630
Cash generated from operations	**43,131,296**	**39,334,697**	**51,588,599**	**49,577,526**
(In)/decrease in inventories	(5,152,483)	(7,255,356)	(13,785,107)	(8,065,477)
(In)/decrease in accounts receivable	(935,075)	(1,307,071)	(4,343,642)	(3,312,357)
(De)/Increase in accounts payable	6,152,545	6,278,410	10,652,312	1,629,426
Cash flow from operations	**43,196,283**	**37,050,680**	**44,112,162**	**39,829,118**
Net interest received (paid)	(688,563)	(561,139)	(802,141)	(727,735)
Income taxes paid	(11,500,310)	(10,247,470)	(12,187,060)	(10,797,241)
Net cash generated from operations	**31,007,410**	**26,242,071**	**31,122,961**	**28,304,142**
Investing activities				
Acquisition of subsidiary net of cash acquired	-	-	(4,588,001)	(4,588,001)
Ordinary dividend received	-	1,680,000	126,000	777,000
Proceeds from disposal of fixed assets	-	-	68,612	22,112
Purchase of fixed assets	(8,749,875)	(8,258,013)	(18,127,275)	(17,573,551)
Net cash flow used in investing activities	**(8,749,875)**	**(6,578,013)**	**(22,520,664)**	**(21,362,440)**
Financing activities				
Employees' Share Trust	(3,437)	(3,437)	62,106	62,106
Proceeds from long term borrowings	-	-	10,000,000	10,000,000
Repayment of loan	(5,000,000)	(5,000,000)	(2,500,000)	(2,500,000)
Ordinary dividend paid	(13,082,835)	(13,082,835)	(16,919,801)	(16,490,801)
Dividend paid to Non-controlling interest	(1,120,000)	-	(716,465)	-
Net cash used in financing activities	**(19,206,272)**	**(18,086,272)**	**(10,074,160)**	**(8,928,695)**
(De)/Increase in cash and cash equivalents	**3,051,262**	**1,577,786**	**(1,471,863)**	**(1,986,993)**
Cash and cash equivalents at 1 January	8,697,990	8,182,860	10,169,853	10,169,853
(De)/Increase in cash and cash equivalents	3,051,262	1,577,786	(1,471,863)	(1,986,993)
Cash and cash equivalents at 31 December	**11,749,252**	**9,760,646**	**8,697,990**	**8,182,860**

Information to Members

The Company Secretary would like to inform the Members that dividends can be directly transferred to their bank accounts.

Members can contact CAD Securities on 0779 303030 for information on how to have the dividends deposited directly into their bank accountst.

Prof. Samuel Wangwe
Acting Chairperson
30th March 2012

Erik Westerberg
Managing Director

David Lee
Company Secretary

Tanga Cement Company Limited
PO Box 5053
Tanga
T anzania
info@simbacement.co.tz

Taarifa Zilizokaguliwa za Mwaka Ulioishia 31 Desemba 2011

Waraka wa Mapato Unaotambulika

Kwa mwaka ulioishia tarehe 31 Desemba

	Kundi 2011 Tzs'000	Kampuni 2011 Tzs'000	Kundi 2010 Tzs'000	Kampuni 2010 Tzs'000
Mapato	233,863,262	161,435,718	199,428,259	149,181,278
Gharama za mauzo	(170,126,923)	(109,400,977)	(131,843,967)	(89,465,874)
Faida Ghafi	**63,736,339**	**52,034,741**	**67,584,292**	**59,715,404**
Gharama nyingine za uendeshaji	(1,916,965)	(2,118,455)	(976,183)	(1,232,238)
Gharama za uuzaji na utawala	(18,692,079)	(10,585,590)	(14,762,957)	(8,935,270)
Uchakavu	(5,353,534)	(5,001,140)	(5,698,387)	(5,489,312)
Faida halisi ya shughuli za biashara	**37,773,761**	**34,329,556**	**46,146,765**	**44,058,584**
Gawio lililorejeshwa	-	1,680,000	-	651,000
Mapato katika thamani ya hali ya hisa zilizotwaliwa kabla	-	-	698,681	698,681
Sehemu ya faida ya wenza	-	-	15,538	15,538
Gharama halisi za Fedha	(688,563)	(561,139)	(802,141)	(727,735)
Faida halisi kabla ya kodi	**37,085,198**	**35,448,417**	**46,058,843**	**44,696,068**
Kodi	(14,794,279)	(13,519,747)	(13,485,040)	(12,501,850)
Faida halisi kwa mwaka	**22,290,919**	**21,928,670**	**32,573,803**	**32,194,218**
Jumla ya mapato halisi	**22,290,919**	**21,928,670**	**32,573,803**	**32,194,218**
Inaidhinishwa kwa:				
Wamiliki wa Kampuni mama	21,265,038	21,928,670	31,681,935	32,194,218
Wamiliki wasionaudhibiti	1,025,881	-	891,868	-
Jumla ya Mapato Halisi	**22,290,919**	**21,928,670**	**32,573,803**	**32,194,218**
Wastani wa Idadi ya Hisa	**63,671,045**	**63,671,045**	**63,671,045**	**63,671,045**
Mapato kwa hisa (Tzs)	**350**	**344**	**512**	**506**
Gawio kwa hisa (Tzs)		**86**		**247**

Waraka wa Hali ya Kifedha

Kama ilivyokuwa tarehe 31 Desemba

	Kundi 2011 Tzs'000	Kampuni 2011 Tzs'000	Kundi 2010 Tzs'000	Kampuni 2010 Tzs'000
RASILIMALI				
Rasilimali za kudumu				
Mali, Mitambo na zana	105,237,748	99,612,508	101,841,407	96,355,635
Rasilimali zisizoonekana	2,827,792	-	2,827,792	-
Stahili kutoka mfumo wa hisa wa Wafanyakazi	320,813	320,813	317,376	317,376
Uwekezeaji katika kundi la kampuni	-	5,468,104	-	5,468,104
	108,386,353	**105,401,425**	**104,986,575**	**102,141,115**
Rasilimali za muda				
Bidhaa	36,114,556	32,497,799	30,962,073	25,242,443
Wadaiwa kibiashara na wengine	9,087,416	8,428,127	8,152,341	7,121,056
Baki ya taslimu na benki	12,683,619	9,760,646	9,566,666	8,182,860
	57,885,591	**50,686,572**	**48,681,080**	**40,546,359**
JUMLA YA RASILIMALI	**166,271,944**	**156,087,997**	**153,667,655**	**142,687,474**
HISA NA DHIMA				
Mtaji na Akiba				
Mtaji wa hisa zilizotolewa	1,273,421	1,273,421	1,273,421	1,273,421
Mapato yaliyobakishwa	113,713,675	115,318,590	105,370,632	106,311,915
Hisa inaidhinishwa kwa wamiliki wa kampuni mama	**114,987,096**	**116,592,011**	**106,644,053**	**107,585,336**
Wamiliki wasio na udhibiti	1,841,493	-	1,935,612	-
	116,828,589	**116,592,011**	**108,579,665**	**107,585,336**
Dhima za kudumu				
Tengo kwa ajili ya uboreshaji eneo	65,447	65,447	61,446	61,446
Mikopo yenye riba	-	-	2,500,000	2,500,000
Tengo la kodi ilioahirishwa	17,563,609	17,563,609	15,045,642	15,045,642
	17,629,056	**17,629,056**	**17,607,088**	**17,607,088**
Dhima za muda				
Mikopo yenye riba	2,500,000	2,500,000	5,000,000	5,000,000
Ovadrafti za benki	934,367	-	868,676	-
Wadaiwa wa kibiashara na wengine	27,270,891	18,373,871	21,279,187	12,256,301
Kodi itakayolipwa	1,109,041	993,059	333,039	238,749
	31,814,299	**21,866,930**	**27,480,902**	**17,495,050**
JUMLA YA HISA NA DHIMA	**166,271,944**	**156,087,997**	**153,667,655**	**142,687,474**

Waraka wa Mtiririko wa Fedha

Kwa mwaka ulioishia tarehe 31 Desemba

	Kundi 2011 Tzs'000	Kampuni 2011 Tzs'000	Kundi 2010 Tzs'000	Kampuni 2010 Tzs'000
Faida halisi ya shughuli za biashara	37,773,761	34,329,556	46,146,765	44,058,584
Uchakavu	5,353,534	5,001,140	5,741,062	5,489,312
Vitu vingine visivyo vya fedha taslimu	4,001	4,001	(299,228)	29,630
Faida taslimu kutokana na biashara	**43,131,296**	**39,334,697**	**51,588,599**	**49,577,526**
(Ongezeko)/punguzo la bidhaa	(5,152,483)	(7,255,356)	(13,785,107)	(8,065,477)
(Ongezeko)/punguzo kwa wadaiwa kibiashara	(935,075)	(1,307,071)	(4,343,642)	(3,312,357)
Ongezeko/(punguzo) la wadai kibiashara	6,152,545	6,278,410	10,652,312	1,629,426
Mapato halisi kutoka shughuli za kibiashara	**43,196,283**	**37,050,680**	**44,112,162**	**39,829,118**
Riba halisi iliyorejeshwa (iliyolipwa)	(688,563)	(561,139)	(802,141)	(727,735)
Kodi ya mapato iliyolipwa	(11,500,310)	(10,247,470)	(12,187,060)	(10,797,241)
Faida halisi zilizotokana na shughuli za biashara	**31,007,410**	**26,242,071**	**31,122,961**	**28,304,142**
Shughuli za uwekezaji				
Utwaaji wa fedha halisi za ununuzi wa kampuni tanzu	-	-	(4,588,001)	(4,588,001)
Gawio la kawaida lililorejeshwa	-	1,680,000	126,000	777,000
Mapato kutokana na mauzo ya rasilimali za kudumu	-	-	68,612	22,112
Ununuzi wa rasilimali za kudumu	(8,749,875)	(8,258,013)	(18,127,275)	(17,573,551)
Fedha taslimu zilizotumiwa katika shughuli za uwekezaji	**(8,749,875)**	**(6,578,013)**	**(22,520,664)**	**(21,362,440)**
Shughuli za Ugharimiaji				
Mfuko wa hisa wa wafanyakazi	(3,437)	(3,437)	62,106	62,106
Mapato kutokana na ukopaji wa muda mrefu	-	-	10,000,000	10,000,000
Urejeshaji wa mkopo	(5,000,000)	(5,000,000)	(2,500,000)	(2,500,000)
Gawio la kawaida lililolipwa	(13,082,835)	(13,082,835)	(16,919,801)	(16,490,801)
Gawio lililolipwa kwa Riba isiyodhibitiwa	(1,120,000)	-	(716,465)	-
Fedha halisi iliyotumiwa katika shughuli za Ugharimiaji	**(19,206,272)**	**(18,086,272)**	**(10,074,160)**	**(8,928,695)**
Punguzo/ongezeko katika fedha taslimu na fedha linganifu	**3,051,262**	**1,577,786**	**(1,471,863)**	**(1,986,993)**
Fedha taslimu na fedha linganifu tarehe 1 Januari	8,697,990	8,182,860	10,169,853	10,169,853
Punguzo/ongezeko katika fedha taslimu na fedha linganifu	3,051,262	1,577,786	(1,471,863)	(1,986,993)
Fedha taslimu na fedha linganifu tarehe 31 Desemba	**11,749,252**	**9,760,646**	**8,697,990**	**8,182,860**

Taarifa kwa Wanachama

Katibu wa kampuni anapenda kuwaarifu wanachama kuwa magawio yataingizwa moja kwa moja kwenye akaunti zao za benki.

Wanachama wanaweza kuwasiliana moja kwa moja na CAD securities kwa simu 0779 303030 kwa taarifa kuhusu namna ya kuingizwa magawio moja kwa moja kwenye akaunti zao za benki.

Kwa niaba ya Bodi

Prof. Samuel Wangwe
Kaimu Mwenyekiti
30 Machi 2012

Erik Westerberg
Mkurugenzi Mtendaji

David Lee
Katibu wa Kampuni

Kampuni ya Tanga Cement
S L P Box 5053
Tanga
Tanzania
info@simbacement.co.tz

The unreliable supply of electricity throughout the year forced the company to make extensive use of its own power generating capacity in order to safeguard production, again significantly increasing production costs.

Managing Director's Report

Sales

After a slow start during the first half of 2011 due to delayed government funding for various infrastructure projects, demand increased dramatically from August, resulting in healthy market growth for the full year. With its reputation for high quality and durability, Simba Cement increased sales in line with demand, achieving a revenue increase of over 8%.

Healthy growth was also evident elsewhere in the East African Community and, with Tanga Cement Company Limited now operating in both Burundi and Rwanda, export sales improved significantly compared to 2010.

Operations

The company had to suspend clinker production for the whole of January and most of February for a major kiln refurbishment. Consequently all cement manufactured during this period had to be made with imported clinker, thereby dramatically increasing the cost of production. Additionally, spare parts, maintenance experts and specialised equipment had to be brought in from abroad at significant cost.

The unreliable supply of electricity throughout the year forced the company to make extensive use of its own power generating capacity in order to safeguard production, again significantly increasing production costs. The continued deterioration of the railway network forced the company to rely increasingly on road transport for the distribution of its products rather than the more cost efficient railway.

Results

The operational challenges increased production and distribution costs substantially. Despite the company's selling and administrative expenses being kept below budget, the increased costs resulted in a reduction in earnings before interest, tax and depreciation of 17% compared to 2010.

Giving back to the community

In line with Tanga Cement Company's corporate social responsibility policy, the company sets aside 1% of its profit before tax for Tanzanian community development programs in the following focus areas:

- Health
- Education
- Sustainable Development
- Environment

In the field of education, the company donated computer equipment and instituted infrastructural improvement projects at several schools. To assist with challenges faced by the local community, for several years the company has been supporting Tanga Business Against Crime, a CTI Tanga outreach initiative with the objective of making the Tanga region a safer place to live and conduct business.

In recognition of the important role of sport and exercise in improving health, the company is involved in a number of initiatives to promote healthy living amongst employees and local communities. Close to home, the company operates a gym for employees at its Saruji Club in Tanga.

As one of the founding sponsors of the Kilimanjaro Marathon, Tanga Cement Company supported the event again in February, with almost sixty employees participating.

Tanga Cement Company is actively involved in a number of tennis initiatives, targeting young people who are passionate about the sport. The company, in partnership with the Tanzanian Tennis Association, sponsors various tennis tournaments, including the Simba Junior Tennis Camp which took place in August 2011.

In order to expose Tanzanian tennis players to international competition, the company is also the main sponsor of the Simba Cement International Tennis Tournament, held annually in Dar es Salaam. The tournament regularly attracts players from several countries in Central and East Africa.

In its role as the main supporter for the creation of a Tanzanian Davis Cup team, Tanga Cement Company organised a Pre-Davis Cup Camp in Tanga, where Tanzanian players were trained by an international tennis coach.

In terms of sustainable development, the company is supporting a project to produce bio-gas to be used for cooking and lighting in a rural community near Tanga.

Future Prospects

The positive market development experienced over the last decade, not only in Tanzania but in the entire region, is expected to continue in the foreseeable future.

With improved integration within the East African community, the region is moving closer to becoming a true common market. Reduced trade barriers between the different member states will greatly enhance the opportunities to do business across national borders in the coming years. This is likely to result in increased competition and possibly a consolidation of the regional cement industry. With the company's expansion plan now in its final stage, and with dedicated and experienced staff, Tanga Cement Company is well positioned to take advantage of this situation.

Sales into the surrounding countries increased considerably during 2011. Additional export opportunities are being aggressively pursued and are expected to yield significant results in the near future.

Clinker production is now running at full capacity and the company's cost structure is firmly under control. With Simba Cement's reputation for high quality and its excellent distribution network, sales volumes are expected to increase in line with, or above, the growth in demand.

Tanga Cement Company is looking forward to the future with confidence and expects to deliver substantially improved results in the coming years.

Erik Westerberg
Managing Director

Kutokana na kutopatikana kwa umeme wa uhakika kwa kipindi chote cha mwaka, Kampuni ililazimika kutumia vyanzo vyake binafsi vya umeme ili kuweza kulinda uzalishaji na hii ilisababisha pia kuongezeka kwa gharama za uzalishaji.

Taarifa ya Mkurugenzi Mtendaji

Mauzo

Baada ya kuanza polepole katika nusu ya kwanza ya mwaka 2011, kutokana na kuchelewa kwa mfuko wa serikali kwa ajili ya miradi mbalimbali ya miundombinu, mahitaji yaliongezeka kwa kasi kutoka Agosti, na kusababisha ukuaji wa soko kwa mwaka mzima. Kutokana na sifa yake ya ubora wa hali ya juu na uimara, Simba Cement iliongeza mauzo kulingana na mahitaji, kufikia kuongeza mapato kwa zaidi ya asilimia 8.

Ukuaji thabiti pia ulikuwa dhahiri kwingineko katika Jumuiya ya Afrika Mashariki, pamoja na Kampuni ya Tanga Cement sasa kufanya kazi katika nchi ya Burundi na Rwanda, mauzo ya nje yameboreshwa kwa kiasi kikubwa ikilinganishwa na mwaka 2010.

Utendaji

Kampuni ilibidi kusimamisha uzalishaji wa klinka kwa kipindi chote cha Januari na Februari kwa ajili ya ukarabati wa kinu cha uzalishaji. Hali hii ilisababisha saruji yote katika kipindi hiki kutengenezwa kwa kutumia klinka kutoka nje, na hivyo kusababisha kuongezeka kwa kasi gharama ya uzalishaji. Zaidi ya hayo, vipuri, wataalam wa ukarabati na vifaa maalumu ilibidi vinunuliwe kutoka nje na kuletwa kwa gharama kubwa.

Kutokana na kutopatikana kwa umeme wa uhakika kwa kipindi chote cha mwaka, Kampuni ililazimika kutumia vyanzo vyake binafsi vya umeme ili kuweza kulinda uzalishaji na hii ilisababisha pia kuongezeka kwa gharama za uzalishaji.

Kuendelea kuzorota kwa mtandao wa reli kulilazimisha kampuni kutegemea zaidi usafiri wa barabara kwa ajili ya usambazaji wa bidhaa zake ambao ni gharama zaidi badala ya kutumia reli.

Matokeo

Changamoto za uendeshaji zimesababisha kuongezeka kwa gharama za uzalishaji na usambazaji. Pamoja na gharama za mauzo na uendeshaji kuwekwa chini ya bajeti, ongezeko la gharama limesababisha kupungua kwa mapato kabla ya riba, kodi na uchakavu wa mitambo/samani kwa asilimia 17 ikilinganishwa na mwaka 2010.

Kusaidia jamii

Kwa mujibu wa sera ya Kampuni ya Tanga Cement ya uwajibikaji kwa jamii, Kampuni huweka kando asilimia 1 ya faida yake kabla ya kodi kwa ajili ya mipango ya maendeleo ya jamii ya Watanzania katika maeneo yafuatayo:

- Afya
- Elimu
- Maendeleo Endelevu
- Mazingira

Katika nyanja ya elimu, Kampuni ilichangia vifaa vya kompyuta na iliweka miradi ya kuboresha miundombinu katika shule kadhaa.
Kusaidia changamoto zinazoikabili jamii, kwa miaka kadhaa kampuni imekuwa ikisaidia Tanga Business Against Crime, juhudi inayofanywa kupitia CTI Tanga, lengo likiwa kuufanya mkoa wa Tanga kuwa mahali salama pa kuishi na kuendeshea biashara.

Kwa kutambua umuhimu wa michezo na mazoezi katika kuboresha afya, Kampuni inajihusisha na mipango kadhaa kuwafanya wafanyakazi wake na jamii inayowazunguka kuishi maisha ya afya njema. Karibu na nyumbani, Kampuni inaendesha eneo maalum kwa ajili ya mazoezi (gym) kwa ajili ya wafanyakazi wake katika Club ya Saruji Tanga.

Kama mmoja wa wadhamini waanzilishi wa Kilimanjaro Marathon, Kampuni ya Tanga Cement ilishiriki tena katika udhamini wa mbio hizo zilizofanyika Februari, ikiwa na wafanyakazi wanaokadiriwa kufikia sitini walioshiriki.

Kampuni ya Tanga Cement inashiriki kikamilifu katika mipango kadhaa ya mchezo wa tenisi, haswa ikiwalenga vijana wenye mapenzi na mchezo huu. Kampuni, kwa ushirikiano na Chama Cha Tenisi Tanzania, imeshadhamini mashindano mbalimbali ya tenisi ikiwa ni pamoja na kambi ya wacheza tenisi ya Simba Junior iliyofanyika Agosti 2011.

Ili kuwawezesha wacheza tenisi nchini kutambulika katika michuano ya kimataifa, Kampuni bado pia ni mdhamini mkuu wa michuano ya kimataifa ya tenisi ya Simba Cement, inayofanyika kila mwaka Dar es Salaam. Michuano hii mara nyingi inawavutia wacheza tenisi kutoka nchi mbalimbali za Afrika ya Kati na Mashariki.

Katika nafasi yake kama msaidizi mkuu katika kuundwa kwa timu ya Tanzania ya Davis Cup, Kampuni ya Tanga Cement iliandaa kambi maalum mjini Tanga kwa ajili ya maandalizi ya Davis Cup, ambapo wachezaji wa Kitanzania walipatiwa mafunzo na kocha wa kimataifa wa tenisi.

Katika suala la maendeleo endelevu, Kampuni inasaidia mradi wa kuzalisha gesi asilia ambayo itatumika kwa kupikia na kwa ajili ya kuleta mwanga maeneo ya vijijini karibu na Tanga.

Matarajio ya Baadaye

Maendeleo chanya ya soko kwa uzoefu wa zaidi ya muongo mmoja uliopita, ambayo si kwa Tanzania pekee bali katika kanda nzima, yanatarajiwa kuendelea hapo siku za usoni.

Kwa muungano ulioboreshwa ndani ya Jumuiya ya Afrika Mashariki, kanda inasogea karibu na kuwa soko la kweli la pamoja. Ikiwa imepunguza vikwazo vya biashara baina ya mataifa tofauti wanachama, itaongeza mwanya wa kufanya biashara kuvuka mipaka ya kitaifa katika miaka ijayo. Hii inategemewa kuleta matokeo ya kuongezeka kwa ushindani na uwezekano wa uimarishaji wa sekta ya saruji kikanda. Pamoja na mpango wa upanuzi wa Kampuni ukiwa umefikia hatua za ukingoni, na kukiwa na wafanyakazi wenye uzoefu na wanaofanya kazi kwa bidii, Kampuni ya Tanga Cement inajiweka katika nafasi nzuri ya kuendelea kukua.

Mauzo katika nchi zinazotuzunguka yameongezeka kwa kasi katika mwaka 2011. Fursa ya ziada ya kuuza bidhaa zetu nje inatumika vyema na inategemewa kuleta matokeo mazuri katika kipindi kijacho.

Uzalishaji klinka kwa sasa unafanya kazi kwa uwezo kamili na muundo wa gharama za Kampuni unaongozwa vizuri. Kutokana na sifa ambazo Saruji ya Simba imejizolea kwa ajili ya ubora wake wa hali ya juu na ubora wa mtandao madhubuti wa usambazaji, kiasi cha mauzo kinategemewa kuongezeka sambamba na, au zaidi, ya ukuaji wa mahitaji.

Kampuni ya Tanga Cement imejipanga vyema na kwa kujiamini kukabiliana na changamoto zitakazojitokeza hapo mbeleni na inatarajia kutoa matokeo bora katika miaka ijayo.

Erik Westerberg
Mkurugenzi Mtendaji

SIMBA CEMENT
Building Tanzania

Annual Report 2011

GENERAL INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
Tanga Cement Company Limited
Pongwe Factory Area
P O Box 5053
Tanga

TANGA SECRETARY
Mr. David Lee
Tanga Cement Company Limited
Pongwe Factory Area
P O Box 5053
Tanga

AUDITORS
Ernst & Young
Utalii House, 36 Laibon Road, Oysterbay
P O Box 2475
Dar es salaam

LEGAL ADVISORS
Rex Attorneys
Rex House, 145 Magore Street, Upanga
P O Box 7495
Dar es salaam

TAX ADVISORS
PricewaterhouseCoopers
International House
P O Box 45
Dar es salaam

MAIN BANKERS
NBC Tanzania Limited
P O Box 5031
Tanga

Citibank Tanzania Limited
P O Box 71625
Dar es salaam

Standard Chartered Bank Tanzania Limited
P O Box 9011
Dar es salaam

Stanbic Bank Tanzania Limited
P O Box 72647
Dar es salaam

Notice To Members

TANGA CEMENT COMPANY LIMITED
(Incorporated in the United Republic of Tanzania)

Notice is hereby given that the eighteenth Annual General Meeting of the shareholders of Tanga Cement Company Limited will be held at Hyatt Regency Dar es Salaam, The Kilimanjaro, on Friday 18 May 2012 at 14:00 hours, for the following purposes:

1. Notice of Meeting
Notice convening the meeting be taken as read.

2. Approval of Minutes
To approve and sign the minutes of the seventeenth Annual General Meeting held on 27 May 2011.

3. Financial Statements and Directors' Reports
To receive and adopt the Financial Statements and Directors' report for the year ended 31 December 2011.

4. Dividend for the year ended 31 December 2011
To approve the declaration of the dividend for the year ended 31 December 2011.

5. Appointment of Directors
To appoint new Directors to the Board.

6. Appointment of Statutory Auditors
To approve the appointment of the Statutory Auditors for the year ending 31 December 2012.

7. General
Any other business.

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on their behalf. If a member is an organisation then the proxy must submit proxy forms and Board resolution to appoint the proxy. These are to reach the registered oce of the Company not less than 48 hours before the time of the meeting. Members or proxies are required to bring with them depository receipt and identication card for registration purpose.

By order of the Board.

Company Secretary
16 April 2012

Taarifa Kwa Wanachama

TANGA CEMENT COMPANY LIMITED
(Imeshirikishwa katika Jamhuri ya Muungano wa Tanzania)

Taarifa inatolewa kwa wanahisa kwamba Mkutano Mkuu wa Mwaka wa kumi na nane wa wanahisa wa Kampuni ya Tanga Cement utafanyika Hoteli ya Hyatt Regency Dar es Salaam, The Kilimanjaro, Ijumaa tarehe 18 Mei 2012 kuanzia saa 8 mchana kwa madhumuni yafuatayo:

1. Taarifa ya Mkutano
Taarifa ya kuitisha mkutano ichukuliwe kama inavyosomeka.

2. Kupitisha Kumbukumbu
Kupitisha na kusaini kumbukumbu za Mkutano Mkuu wa Mwaka wa kumi na saba uliofanyika tarehe 27 Mei 2011.

3. Taarifa za Fedha na Ripoti za Wakurugenzi
Kupokea na kupitisha Taarifa za Fedha na ripoti za Wakurugenzi kwa mwaka ulioishia tarehe 31 Desemba 2011.

4. Gawio kwa Mwaka Ulioishia tarehe 31 Desemba 2011
Kuidhinisha taarifa maalumu ya gawio kwa mwaka ulioishia tarehe 31 Desemba 2011.

5. Uchaguzi wa Wakurugenzi
Kuchagua Wakurugenzi wapya wa Bodi.

6. Uchaguzi wa Wakaguzi wa Hesabu Wanaokubalika Kisheria
Kuidhinisha uchaguzi wa wakaguzi wa hesabu wanaokubalika kisheria kwa mwaka unaoishia tarehe 31 Desemba 2012.

7. Majumuisho
Mengineyo.

Mwanachama yeyote anayestahili kuhudhuria na kupiga kura kwenye mkutano ana haki ya kuchagua mwakilishi au wawakilishi kuhudhuria na kupiga kura kwa niaba yake. Kama mwanachama ni shirika basi mwakilishi anatakiwa kuwakilisha fomu za uwakilishi pamoja na maamuzi ya Bodi ya kumteua mwakilishi huyo. Fomu hizo zike katika osi za usajili za Kampuni si chini ya masaa 48 kabla ya mkutano kuanza. Wanachama au wawakilishi wanatakiwa kuja na risiti ya amana na kitambulisho kwa ajili ya usajili.

Kwa agizo la Bodi.

Katibu wa Kampuni
16 Aprili 2012

REGISTERED OFFICE
Tanga Cement Company Limited
Korogwe Road, Pongwe Factory Area
P O Box 5053, Tanga, Tanzania
Tel: +255 27 2644500-2/2610604
Mob: +255 784 644500
Fax: +255 27 2646148

Dar es salaam office:
3rd Floor, Coco Plaza, 254 Toure Drive
P O Box 78478, Dar es salaam, Tanzania
Tel: +255 22 2602778-9/2602784
Mob: +255 685 602784
Fax: +255 22 2602785

Website: www.simbacement.co.tz | **Email: info@simbacement.co.tz**

SIMBA CEMENT
Building Tanzania