



UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

CHAIRPERSON'S STATEMENT

The six month ended 30 June 2010 was a challenging period for the Company as reflected by the decline in net profit after tax.

Cement imports as well as stiff competition in the market continued to have a negative impact on prices and although sales volumes increased by 16%, revenue increased by only 8%.

Costs of sales increased mainly due to higher maintenance costs and the use of expensive imported clinker during the maintenance shutdown in March and April 2010. Depreciation charges increased in 2010 due to the commissioning of the new cement mill towards the end of 2009.

Dividends

An interim dividend of 50% of net profit after tax has been approved by the Board. This amounts to Tzs 5.1 billion or Tzs 80 per share.

Prospects

The cement market is expected to grow further in the second half of 2010. Increased capacity resulting from recent capital expenditure will place the Company in a position to take advantage of the expected growth.

Plant efficiency has improved after major maintenance, this will contribute to a reduction in production costs during the second half of the year.

Management Changes

Mr. Juerg Fluehmann who has been the Managing Director since 2004, left the Company on 30 June 2010. The Board is thankful to Mr Fluehmann for his valuable contribution during his six years with the Company. Mr Fluehmann is succeeded by Mr Erik Westerberg who joined the Company from a leading Cement Company in Ghana.

Closure of Share Register

The Register of Members will close on 29 September 2010. The last day of trading cum dividend is 22 September 2010. The dividend will be paid on or about 29 October 2010.

Charles Naude
Chairperson

Statement of Comprehensive Income for the six months ended 30 June	2010 Tzs'000	2009 Tzs'000	Change %
Revenue	61,090,199	56,380,535	8
Cost of sales	(38,185,568)	(31,618,180)	
Gross profit	22,904,631	24,762,355	-8
Other operating Expenses	(800,694)	(845,039)	
Selling and administrative expenses	(4,811,472)	(4,449,566)	
Depreciation and amortization	(2,714,741)	(801,366)	
Net profit before operations	14,577,724	18,666,384	-22
Share of profit of associates	297,000	-	
Net finance costs	(234,027)	(364,373)	
Net profit before taxation	14,640,697	18,302,011	-20
Taxation	(4,386,941)	(5,491,386)	-20
Net profit after taxation	10,253,756	12,810,625	-20
Weighted average number of shares in issue	63,671,045	63,671,045	
Earnings per share (Tzs)	161	201	-20
Dividend per share (Tzs)	80	-	

Statement of Financial Position as at	30 June 2010 Tzs'000	31 December 2009 Tzs'000	Change %
ASSETS			
Non-current assets			
Property, plant and equipment	93,721,853	84,319,136	
Due from Employee's Share trust	327,396	379,482	
Investment in associates	4,879,886	291,885	
	98,929,135	84,990,503	16
Current assets			
Inventories	22,160,388	17,176,966	
Accounts receivable third party and other	5,650,718	3,808,699	
Cash and bank	1,045,817	10,169,853	
	28,856,923	31,155,518	-7
TOTAL ASSETS	127,786,058	116,146,021	
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued share capital	1,273,421	1,273,421	
Revaluation reserves	2,668,483	2,668,534	
Retained earnings	86,796,602	87,939,964	
	90,738,506	91,881,919	-1
Non-current liabilities			
Provision for site restoration	57,445	57,445	
Long-term Financing Liabilities	10,000,000	-	
Deferred tax provision	13,293,478	13,293,426	
	23,350,923	13,350,871	75
Current liabilities			
Interest bearing borrowing	4,059,159	-	
Trade and other payables	9,488,557	10,626,875	
Income tax payable	148,913	286,356	
	13,696,629	10,913,231	26
TOTAL EQUITY AND LIABILITIES	127,786,058	116,146,021	

Statement of Cash Flows for the six months ended 30 June	2010 Tzs'000	2009 Tzs'000
Cash generated from operating activities		
Operating profit	14,577,724	18,666,384
Depreciation	2,714,741	801,366
Loss on disposal	26,076	189,480
Cash generated from trading	17,318,541	19,657,230
Increase in inventories	(4,983,422)	(3,026,674)
(In)/decrease in accounts receivable	(1,789,933)	786,610
(De)/Increase in accounts payable	(1,138,318)	582,848
Cash flow from operations	9,406,868	18,000,014
Net interest paid	(234,027)	(364,373)
Income taxes paid	(4,524,384)	(2,473,569)
Net cash generated from operations	4,648,457	15,162,072
Investing activities		
Acquisition of subsidiary net of cash acquired	(4,588,001)	-
Ordinary dividend received	297,000	-
Proceeds from disposal	2,616	96,627
Purchase of fixed assets	(12,146,150)	(13,264,804)
Net cash flow used in investing activities	(16,434,535)	(13,168,177)
Financing activities		
Proceeds from long term borrowings	10,000,000	-
Ordinary dividend paid	(11,397,117)	-
Net cash flow from financing activities	(1,397,117)	-
Increase/(Decrease) in cash and cash equivalents	(13,183,195)	1,993,895
Cash and cash equivalents at 1 January	10,169,853	(2,273,854)
Decrease in cash and cash equivalents	(13,183,195)	1,993,895
Cash and cash equivalents at 30 June	(3,013,342)	(279,959)

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 (022) 212 3030 for information on how to have the dividends deposited directly into their bank accounts.


Charles Naude
Chairperson
27 August 2010


Erik Westerberg
Managing Director


Barry Griesel
Company Secretary

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