

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

CHAIRPERSON'S STATEMENT

The demand for cement in Tanzania grew substantially during the year. The expansion of the Company's production facilities, completed in 2010, enabled the Company to increase sales in line with the market and this resulted in a 24% increase in revenue.

The Company's operating profit only increased by 5%, mainly due to the increased use of expensive imported clinker necessitated by major refurbishment work on the plant in March and April. The results were also adversely affected by the depreciation of the Tanzanian shilling during the year.

On 1st April 2010 the Company increased its shareholding in its major distributor, Cement Distributors (EA) Limited, from 20% to 60%. The results of Cement Distributors (EA) Limited have been consolidated with effect from the date of acquisition.

Dividends

A dividend of 50% of net profit after tax is proposed and consequently the Board has recommended a final dividend of Tzs 167 per share. This amounts to Tzs 10.633 billion.

Prospects

The cement market is expected to grow during the coming year and the Company expects to be able to increase sales volumes accordingly. Imported cement, electricity supply interruptions and rail service delivery problems will continue to be the major challenges in 2011. The Company will actively pursue export opportunities in the region.

Closure of Share Register

The Register of Members will close on 11 April 2011. The last day of trading cum dividend will be 01 April 2011. The dividend will be paid on or about 31 May 2011.

Charles Naude
Chairperson

Statement of Comprehensive Income for the year ended 31 December

	Group 2010 Tzs'000	Company 2010 Tzs'000	Group 2009 Tzs'000	Company 2009 Tzs'000
Revenue	199,428,259	149,181,278	119,898,248	19,898,248
Cost of sales	(131,843,967)	(89,465,874)	(63,828,094)	(63,828,094)
Gross profit	67,584,292	59,715,404	56,070,154	56,070,154
Other operating expenses	(976,183)	(1,232,238)	(1,608,288)	(1,608,288)
Selling and administrative expenses	(14,762,957)	(8,935,270)	(8,625,502)	(8,625,502)
Depreciation and amortisation	(5,698,387)	(5,489,312)	(2,450,783)	(2,450,783)
Net profit from operations	46,146,765	44,058,584	43,385,581	43,385,581
Share of profit of associates	666,538	666,538	390,898	390,898
Net finance costs	(802,141)	(727,735)	58,101	58,101
Net profit before taxation	46,011,162	43,997,387	43,834,580	43,834,580
Taxation	(13,485,040)	(12,501,850)	(13,414,337)	(13,414,337)
Net profit for the year	32,526,122	31,495,537	30,420,243	30,420,243
Other comprehensive income				
Gain in fair value of pre-acquisition shares	698,681	698,681		
Total comprehensive income	33,224,803	32,194,218	30,420,243	30,420,243
Attributable to:				
Owners of the parent	32,355,013	32,194,218	30,420,243	30,420,243
Non-controlling interest	869,790			
Total comprehensive income	33,224,803	32,194,218	30,420,243	30,420,243
Weighted average number of shares in issue	63,671,045	63,671,045	63,671,045	63,671,045
Earnings per share (Tzs)	522	506	478	478
Dividends per share (Tzs)		247		179

Statement of Financial Position as at 31 December

	Group 2010 Tzs'000	Company 2010 Tzs'000	Group 2009 Tzs'000	Company 2009 Tzs'000
ASSETS				
Non-current assets				
Property, plant and equipment	98,348,004	96,355,635	84,319,136	84,319,136
Intangible assets	6,321,195	-	-	-
Due from Employee's Share Trust	317,376	317,376	379,482	379,482
Investment in Group	-	5,468,104	291,885	291,885
104,986,575	102,141,115	84,990,503	84,990,503	
Current assets				
Inventories	30,962,073	25,242,443	17,176,966	17,176,966
Accounts receivable third party and other	8,152,341	7,121,056	3,808,699	3,808,699
Cash and bank	9,566,666	8,182,860	10,169,853	10,169,853
48,681,080	40,546,359	31,155,518	31,155,518	
TOTAL ASSETS	153,667,655	142,687,474	116,146,021	116,146,021
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued share capital	1,273,421	1,273,421	1,273,421	1,273,421
Revaluation surplus	2,596,798	2,596,798	2,668,534	2,668,534
Retained earnings	102,880,436	103,821,719	87,939,964	87,939,964
Non-Controlling interest	1,935,612	-	-	-
108,686,267	107,691,938	91,881,919	91,881,919	
Non-current Liabilities				
Provision for site restoration	61,446	61,446	57,445	57,445
Interest bearing loans	2,500,000	2,500,000	-	-
Deferred tax liability	14,939,040	14,939,040	13,293,426	13,293,426
17,500,486	17,500,486	13,350,871	13,350,871	
Current liabilities				
Interest bearing loans	5,000,000	5,000,000	-	-
Bank overdraft	868,676	-	-	-
Trade and other payables	21,279,187	12,256,301	10,626,875	10,626,875
Income tax payable	333,039	238,749	286,356	286,356
27,480,902	17,495,050	10,913,231	10,913,231	
TOTAL EQUITY AND LIABILITIES	153,667,655	142,687,474	116,146,021	116,146,021

Statement of Cash Flows for the year ended 31 Dec

	Group 2010 Tzs'000	Company 2010 Tzs'000	Group 2009 Tzs'000	Company 2009 Tzs'000
Cash generated from operating activities				
Net profit from operations	46,146,765	44,058,584	43,385,581	43,385,581
Depreciation	5,741,062	5,489,312	2,450,783	2,450,783
Other non-cash items	(299,229)	29,629	462,976	462,976
Cash generated from operations	51,588,598	49,577,525	46,299,340	46,299,340
(In)/decrease in inventories	(13,785,107)	(8,065,477)	3,961,987	3,961,987
(In)/decrease in accounts receivable	(4,343,642)	(3,312,357)	792,153	792,153
(De)/Increase in accounts payable	10,652,312	1,629,426	(3,795,989)	(3,795,989)
Cash flow from operations	44,112,161	39,829,117	47,257,491	47,257,491
Net interest received (paid)	(802,141)	(727,735)	58,101	58,101
Income taxes paid	(12,187,060)	(10,797,241)	(6,648,144)	(6,648,144)
Net cash generated from operations	31,122,960	28,304,141	40,667,448	40,667,448
Investing activities				
Acquisition of subsidiary net of cash acquired	(4,588,000)	(4,588,000)		
Ordinary dividend received	777,000	777,000	540,000	540,000
Proceeds from disposal of fixed assets	68,612	22,112	100,570	100,570
Purchase of fixed assets	(18,127,275)	(17,573,551)	(28,484,828)	(28,484,828)
Net cash flow used in investing activities	(21,869,663)	(21,362,439)	(27,844,258)	(27,844,258)
Financing activities				
Employees' Share Trust	62,106	62,106	(379,483)	(379,483)
Proceeds from long term borrowings	10,000,000	10,000,000		
Repayment of loan	(2,500,000)	(2,500,000)		
Ordinary dividend paid	(17,570,801)	(16,490,801)		
Dividend paid to Non-controlling interest	(716,465)			
Net cash used in financing activities	(10,725,160)	(8,928,695)	(379,483)	(379,483)
(De)/Increase in cash and cash equivalents	(1,471,863)	(1,986,993)	12,443,707	12,443,707
Cash and cash equivalents at 1 January	10,169,853	10,169,853	(2,273,854)	(2,273,854)
(De)/Increase in cash and cash equivalents	(1,471,863)	(1,986,993)	12,443,707	12,443,707
Cash and cash equivalents at 31 December	8,697,990	8,182,860	10,169,853	10,169,853

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 accounts.



Charles Naude
Chairperson
04 March 2011



Erik Westerberg
Managing Director



Barry Griesel
Company Secretary

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