

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

CHAIRPERSON'S STATEMENT

The six months ended 30 June 2009 was a challenging period for the Company. Cement imports as well as a decline in the regional markets in which the Company operates resulted in a decrease in sales volumes and sales revenue if compared to the same period in 2008.

Net profit after tax declined by 16% resulting in a drop in earnings per share from Tzs 238 to Tzs 201. The cost of sales were lower than expected due to the lower levels of sales and production as well as the improvement in operating efficiencies and better thermal energy consumption following the completion of various plant modernisation projects during 2008.

Due to the success of the Usalama Program on occupational health and safety, the Company had zero lost-time-injury accidents during the first half of the year.

Dividends

Due to the Company's ongoing expansion project for the new cement grinding unit, the Board agreed not to pay an interim dividend for 2009.

Prospects

The construction of the new cement mill is progressing well and is expected to be commissioned in the fourth quarter of 2009.

Considering the uncertainties of the current economic climate and the effect of the increase in imports as well as stiff competition from the local market, the Company expects only a marginal improvement in results during the second half of 2009 if compared to the first half of this year. The Company is taking steps to improve its market position.

Charles Naude
Chairperson

Income Statement for the six months ended 30 June

	2009 Tzs'000	2008 Tzs'000	Change
Revenue	56,380,535	56,884,002	-1%
Cost of sales	31,618,180	31,517,450	
Gross profit	24,762,355	25,366,552	-2%
Other operating income/(expense)	(43,581)	142,708	
Selling and administrative expenses	(4,449,566)	(3,659,314)	
Depreciation and amortization	(801,366)	(1,073,215)	
Net profit from operations	19,467,842	20,776,731	-6%
Share of profit from associates	-	684,000	
Net finance cost	(364,373)	(127,656)	
Foreign exchange gain/(losses)	(801,458)	344,235	
Net profit before taxation	18,302,011	21,677,310	-16%
Taxation	(5,491,386)	(6,503,193)	
Net profit after taxation	12,810,625	15,174,117	-16%
Weighted average number of shares in issue	63,671,045	63,671,045	
Earnings per share (Tzs)	201	238	-16%
Dividend per share (Tzs)	-	120	

Balance Sheet as at

	30 June 2009 Tzs'000	31 December 2008 Tzs'000	Change %
ASSETS	Tzs'000	Tzs'000	%
Non-current assets			
Property, plant and equipment	70,849,499	58,776,827	
Intangible assets	19,919	39,836	
Investments in associates	468,959	468,959	
	71,338,377	59,285,622	20%
Current assets			
Inventories	24,165,627	21,138,953	
Accounts receivable third party and other	3,814,242	4,600,852	
Cash and bank	8,256,395	3,804,282	
	36,236,264	29,544,087	23%
TOTAL ASSETS	107,574,641	88,829,709	21%
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued share capital	1,273,421	1,273,421	
Revaluation reserves	2,732,340	2,795,906	
Retained earnings	70,148,384	57,337,761	
	74,154,145	61,407,088	21%
Non-current liabilities			
Provision for site restoration	53,444	53,444	
Deferred tax provision	6,404,454	6,340,887	
	6,457,898	6,394,331	1%
Current liabilities			
Interest bearing borrowing	8,536,354	6,078,136	
Trade and other payables	15,005,712	14,422,864	
Income tax payable	3,420,532	527,290	
	26,962,598	21,028,290	28%
TOTAL EQUITY AND LIABILITIES	107,574,641	88,829,709	21%

Cash Flow Statement for the six months ended 30 June

	2009 Tzs'000	2008 Tzs'000
Cash generated from operating activities		
Operating profit	19,467,842	20,776,731
Depreciation	801,366	1,073,215
Other	(611,978)	282,622
Cash generated from trading	19,657,230	22,132,568
(Increase)/decrease in inventories	(3,026,674)	216,427
(Increase)/ decrease in accounts receivable	786,610	(1,047,165)
Increase/(decrease) in accounts payable	582,848	(2,092,721)
Cash flow from operations	18,000,014	19,209,109
Net interest paid	(364,373)	(128,810)
Income taxes paid	(2,473,569)	(4,810,433)
Ordinary dividend received	-	684,000
Ordinary dividend paid	-	(11,779,143)
Net cash generated from operations	15,162,072	3,174,723
Investing activities		
Proceeds from disposal	96,627	15,407
Purchase of fixed assets	(13,264,804)	(7,233,812)
Net cash flow used in investing activities	(13,168,177)	(7,218,405)
Increase/(decrease) in cash and cash equivalents	1,993,895	(4,043,682)
Cash and cash equivalents at 1 January	(2,273,854)	5,525,211
Increase/(decrease) in cash and cash equivalents	1,993,895	(4,043,682)
Cash and cash equivalents at 30th June	(279,959)	1,481,529



Charles Naude
Chairperson
31 August 2009



Jürg Flühmann
Managing Director



Barry Griesel
Company Secretary

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