

Condensed consolidated Statement of Comprehensive Income Kshs '000	Group		% Change
	31-Mar-16	31-Mar-15	
Service revenue	177,784,089	156,246,631	13.8%
Handsets and other revenue	8,621,317	7,117,490	21.1%
Construction revenue	9,279,818	-	-
Total revenue	195,685,224	163,364,121	19.8%
Other income	231,823	575,604	(59.7%)
Direct costs	(62,310,003)	(56,708,576)	9.9%
Construction costs	(9,279,818)	-	-
Other expenses	(41,260,953)	(36,039,990)	14.5%
Earnings before interest, taxes, depreciation & amortisation (EBITDA)	83,066,273	71,191,159	16.7%
Depreciation, impairment and amortisation	(27,942,546)	(25,570,159)	9.3%
Net financing income	901,548	424,869	>100%
Fair value loss on investment property	(366,859)	-	-
Share of profit / (loss) of associate	104,089	(4,041)	>100%
Asset purchase gain	-	107,717	-
Profit before taxation	55,762,505	46,149,545	20.8%
Income tax expense	(17,658,215)	(14,278,242)	23.7%
Total comprehensive income for the period	38,104,290	31,871,303	19.6%
Attributed to:			
Equity holders of the company	38,104,290	31,871,303	19.6%
Basic and diluted earnings per share (EPS)	0.95	0.80	19.6%
Proposed / Paid dividend	30,483,432	25,641,874	18.9%
Proposed / Paid dividend per share (DPS)	0.76	0.64	18.9%

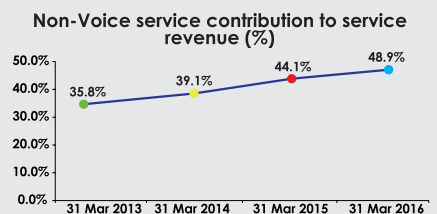
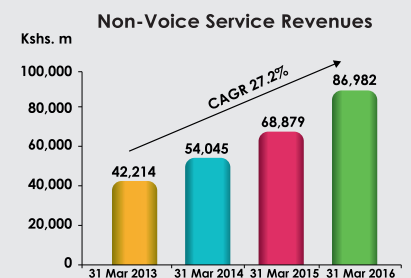
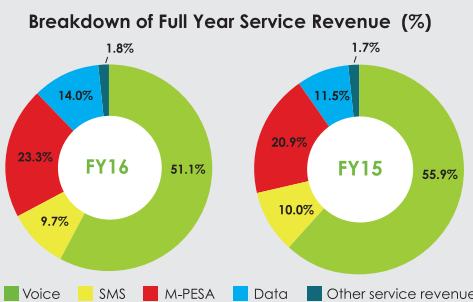
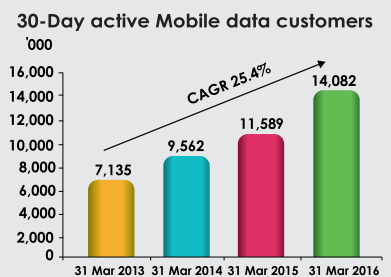
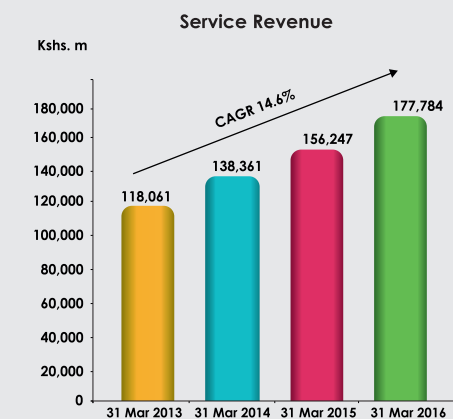
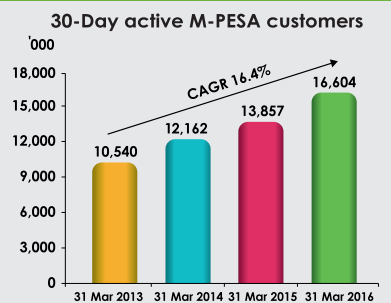
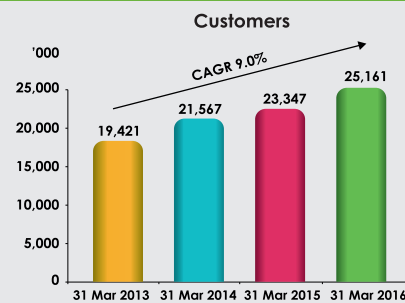
Condensed consolidated Statement of Financial Position Kshs '000	Group		% Change
	31-Mar-16	31-Mar-15	
Capital Employed			
Share capital (including share premium)	4,203,311	4,203,311	-
Retained earnings	82,052,204	74,431,346	10.2%
Proposed dividend	30,483,432	25,641,874	18.9%
Shareholders Funds	116,738,947	104,276,531	12.0%
Non current borrowings	-	490,762	-
	116,738,947	104,767,293	11.4%
Represented by			
Non current assets	129,242,044	124,367,073	3.9%
Current Assets:			
Inventories	816,393	8,258,601	(90.1%)
Receivables and prepayments	20,622,992	10,301,643	100.2%
Restricted cash	2,391,563	2,113,938	13.1%
Cash and cash equivalents	6,109,493	11,916,371	(48.7%)
	29,940,441	32,590,553	(8.1%)
Current Liabilities:			
Payables and accrued expenses	40,068,982	41,423,899	(3.3%)
Current income tax	2,374,556	617,216	>100%
Borrowings	-	10,149,218	-
	42,443,538	52,190,333	(18.7%)
Net current liabilities	(12,503,097)	(19,599,780)	(36.2%)
	116,738,947	104,767,293	11.4%

Condensed consolidated Statement of Cash Flows Kshs '000	Group		% Change
	31-Mar-16	31-Mar-15	
Operating activities			
Cash generated from operations	79,203,275	74,636,662	6.1%
Movement in restricted cash	(277,625)	(376,121)	(26.2%)
Net interest received	1,341,725	1,292,085	3.8%
Income tax paid	(15,654,767)	(13,853,092)	13.0%
Net cash from operating activities	64,612,608	61,699,534	4.7%
Investing activities			
Dividends paid	(25,641,874)	(18,830,751)	36.2%
Financing activities	(11,478,137)	(3,048,491)	>100%
Net movement in cash and cash equivalents	(5,806,878)	(3,964,696)	46.5%
Movement in cash and cash equivalents			
At start of year	11,916,371	15,881,067	(25.0%)
Decrease	(5,806,878)	(3,964,696)	46.5%
At end of the period	6,109,493	11,916,371	(48.7%)

The above selected financial data has been extracted from the Group's financial statements which were audited by PricewaterhouseCoopers.

Key highlights for the year ended 31 March 2016

- Customer numbers have increased by 7.8% to 25.16m as at March 2016 from 23.35m as at March 2015
- Mobile data customers who were active in the last 30 days increased by 21.5% to 14.08m as at March 2016 from 11.59m as at March 2015
- M-PESA customers who were active in the last 30 days grew by 19.8% to 16.60m as at March 2016 compared to 13.86m as at March 2015
- Service revenue increased by 13.8% to Kshs 177.78bn compared to Kshs 156.25bn for the period ended March 2015
- Voice service revenue increased by 3.9% to Kshs 90.80bn compared to Kshs 87.37bn for the period ended March 2015
- Messaging (SMS) revenue grew by 10.6% to Kshs 17.33bn compared to Kshs 15.67bn for the period ended March 2015
- Mobile data revenue increased by 42.7% to Kshs 21.15bn compared to Kshs 14.82bn for the period ended March 2015
- Fixed service revenue increased by 22.0% to Kshs 3.82bn compared to Kshs 3.13bn for the period ended March 2015
- M-PESA revenue grew by 27.2% to Kshs 41.50bn compared to Kshs 32.63bn for the period ended March 2015
- Non-Voice service revenue (M-PESA/SMS/Broadband/Other service revenue) increased to 48.9% of total service revenues from 44.1% for the period ended March 2015
- EBITDA increased by 16.7% to Kshs 83.07bn compared to Kshs 71.19bn for the period ended March 2015
- Net income increased by 19.6% to Kshs 38.10bn compared to Kshs 31.87bn for the period ended March 2015
- Dividend payout recommended of Kshs 30.48bn, an increase of 18.9% compared to Kshs 25.64bn for the period ended 31 March 2015



Commentary on results

The Board of Directors is pleased to announce the audited results for the financial year ended 31 March 2016. The same accounting policies and methods of computation have been used as were in the last financial statements.

During the period there was an increase in the number of customers to 25.16m as at 31 March 2016 from 23.35m as at 31 March 2015. In order to support this growth, the company continued to invest heavily in both the expansion and modernisation of its 2G, 3G and 4G networks and fibre roll out.

Capital expenditure in the network for the period ended 31 March 2016 stood at Kshs 32.13bn to bring the total capital expenditure from inception to Kshs 308.75bn excluding spectrum & acquisitions. To finance this expansion, the company has continued to reinvest a significant portion of internally generated cash.

Borrowings

We had nil bank borrowings as at 31 March 2016 with cash and cash equivalents at Kshs 6.11bn.

Taxation

The Group continues to be a major contributor to the revenues of the Government and remitted Kshs 62.78bn in duties, taxes and license fees for the period ended 31 March 2016. This increased the total duties, taxes and fees paid since inception to Kshs 408.49bn. This is in addition to dividends totalling to Kshs 40.66bn including proposed dividend for this financial year payable to the Government.

Dividends

The Directors recommend for approval the payment of a dividend per share of Kshs 0.76 representing a total dividend payment of Kshs 30.48bn. The dividend will be paid on or before 1 December 2016, subject to the shareholders' approval at the annual general meeting.

Closure of Register

The register of members will be closed at the closure of business on 2 September 2016 for the purpose of determining shareholders' entitlement of dividend.

Annual General Meeting

The Annual General Meeting will be held on 2 September 2016.

By order of the board

Nicholas Nganga

Chairman

Date: 10 May 2016