

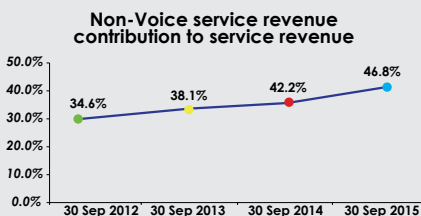
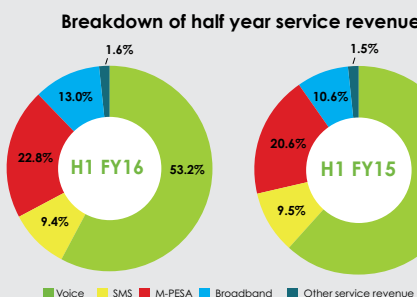
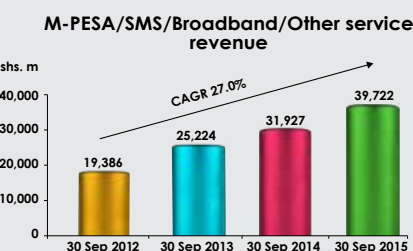
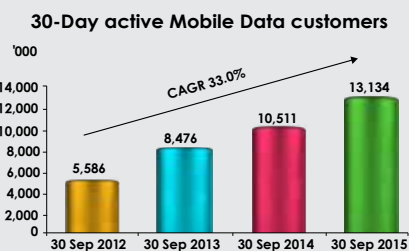
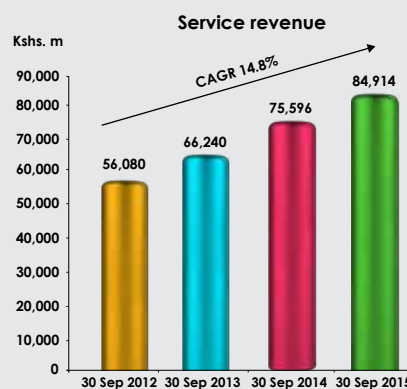
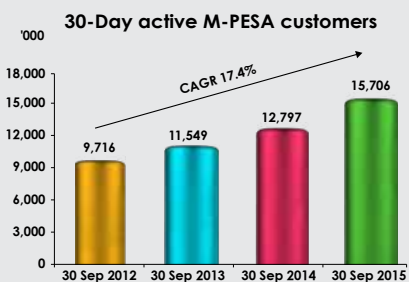
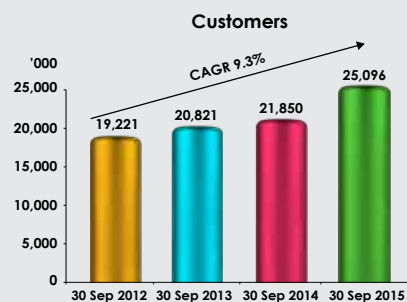
Condensed consolidated Statement of Comprehensive Income Kshs '000	Group		% Change
	30-Sep-15	30-Sep-14	
Service revenue	84,913,683	75,595,834	12.3%
Handset and other revenue	3,868,820	3,739,889	3.4%
Construction revenue	8,441,772	-	-
Total revenue	97,224,275	79,335,723	22.5%
Other income	76,611	552,490	(86.1%)
Direct costs	(30,022,259)	(28,917,853)	3.8%
Construction costs	(8,441,772)	-	-
Other expenses	(19,998,487)	(17,442,953)	14.7%
Earnings before interest, taxes, depreciation & amortisation (EBITDA)	38,838,368	33,527,407	15.8%
Depreciation, impairment and amortisation	(13,545,517)	(12,585,248)	7.6%
Net financing income	1,020,715	166,322	>100%
Share of associate profit / (loss)	89,163	(1,960)	>100%
Profit before taxation	26,402,730	21,106,521	25.1%
Income tax expense	(8,324,414)	(6,395,072)	30.2%
Total comprehensive income for the period	18,078,315	14,711,449	22.9%
Attributed to:			
Equity holders of the company	18,078,315	14,711,449	22.9%
Basic and diluted earnings per share (EPS)	0.45	0.37	22.9%
Earnings per share for profit attributable to the equity holders of the Company	0.45	0.37	22.9%

Condensed consolidated Statement of Financial Position Kshs '000	Group		% Change
	30-Sep-15	31-Mar-15	
Capital Employed			
Share capital (including share premium)	4,203,311	4,203,311	-
Retained earnings	92,509,661	74,431,346	24.3%
Proposed dividends	-	25,641,874	-
Shareholders Funds	96,712,972	104,276,531	(7.3%)
Non current borrowings	203,570	490,762	(58.5%)
Represented by			
Non current assets	131,088,153	124,367,073	5.4%
Current Assets:			
Inventories	2,198,936	8,258,601	(73.4%)
Receivables and pre-payments	21,120,683	10,301,643	>100%
Cash and cash equivalents	21,235,817	14,030,309	51.4%
Derivative financial instrument	8,854	-	-
Current Liabilities:	44,564,290	32,590,553	36.7%
Payables and accrued expenses	44,335,329	41,423,899	7.0%
Current income tax	882,452	617,216	43.0%
Borrowings	7,876,246	10,149,218	(22.4%)
Proposed dividends	25,641,874	-	-
	78,735,901	52,190,333	50.9%
Net current liabilities	(34,171,611)	(19,599,780)	74.3%
Net current liabilities	(34,171,611)	(19,599,780)	74.3%

Condensed consolidated Statement of Cash Flows Kshs '000	Group		% Change
	30-Sep-15	30-Sep-14	
Operating activities			
Cash generated from operations	37,647,624	35,429,920	6.3%
Movement in restricted cash	(79,008)	(266,525)	(70.4%)
Net interest received	332,396	73,741	>100%
Income tax paid	(8,241,156)	(7,651,256)	7.7%
Net cash from operating activities	29,659,856	27,585,880	7.5%
Investing activities	(19,973,192)	(14,836,832)	34.6%
Financing activities	(2,560,164)	(1,44,462)	>100%
Net movement in cash and cash equivalents	7,126,500	12,604,586	(43.5%)
Movement in cash and cash equivalents			
At start of period	11,916,371	15,881,067	(25.0%)
Increase	7,126,500	12,604,586	(43.5%)
At end of the period	19,042,871	28,485,653	(33.1%)

Key highlights for the period ended 30 September 2015

1. Customer numbers have increased by 14.9% to 25.10m as at September 2015 from 21.85m as at September 2014
2. Mobile data customers who were active in the last 30 days increased by 25% to 13.13m as at September 2015 from 10.51m as at September 2014
3. M-PESA customers who were active in the last 30 days grew by 22.7% to 15.71m as at September 2015 compared to 12.80m as at September 2014
4. Service revenue increased by 12.3% to Kshs 84.91bn compared to Kshs 75.60bn in a similar six month period ended September 2014
5. Voice revenue increased by 3.5% to Kshs 45.19bn compared to Kshs 43.67bn in a similar six month period ended September 2014
6. SMS revenue grew by 11.3% to Kshs 7.98bn compared to Kshs 7.17bn in a similar six month period ended September 2014
7. Mobile Data revenue increased by 40.9% to Kshs 9.16bn compared to Kshs 6.50bn in a similar six month period ended September 2014
8. Fixed service revenue increased by 24.8% to Kshs 1.86bn compared to Kshs 1.49bn in a similar period ended September 2014
9. Strong growth in M-PESA revenue of 24.1% to Kshs 19.35bn compared to Kshs 15.59bn in a similar six month period ended September 2014
10. Non-voice service revenues increased to 46.78% of service revenues from 42.24% in a similar six month period ended September 2014
11. EBITDA increased by 15.8% to Kshs 38.84bn compared to Kshs 33.53bn in a similar six month period ended September 2014
12. Net income increased by 22.9% to Kshs 18.08bn compared to Kshs 14.71bn in a similar six month period ended September 2014



Commentary on results

The Board of Directors is pleased to announce the unaudited results for the six months ended 30 September 2015. The same accounting policies and methods of computation have been used as were in the last condensed unaudited financial statements.

During the period there was an increase in the number of customers to 25.10m as at 30 September 2015 up from 21.85m as at 30 September 2014. 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 in fibre layout in key metro areas.

Capital expenditure during the six month period stood at Kshs 20.0bn (excluding acquisitions, licences and investment in IRUs). To finance capital expenditure, the Company will continue to reinvest a significant portion of internally generated cashflows.

Total borrowings as at 30 September 2015 stood at Kshs 8.08bn. Cash and cash equivalents stood at Kshs 21.24bn, leaving net cash of Kshs 13.16bn, down from net cash of Kshs 18.02bn for the period ended 30 September 2014.

Taxation

The Group continues to be the major contributor to the revenues of the government and remitted Kshs 31.14bn in duties, taxes and license fees for the six month period ended 30 September 2015 up from Kshs 29.84bn in September 2014.

Dividends

As in previous years the directors do not propose the payment of an interim dividend.

By order of the board

Nicholas Nganga,
Chairman

Date: 4 November 2015