



Despite the risks our business faces, we remain confident that by meticulously executing our strategy, seeking out new growth opportunities, and staying true to our purpose of transforming lives, we will continue to generate considerable shareholder wealth, and deliver shared value to a broader stakeholder base.

For 18 years, Safaricom has built a business founded on our innate desire to do more than just connect people to each other. We have been able to do this thanks to your continued faith in our vision, your patience with us, and your unwavering loyalty. We say thank you!

Nicholas Nganga, Chairman



The success of our business is heavily dependent on our ability to connect people to people, to knowledge, and to opportunities - wherever they are in Kenya, and the world. This we have done through sustained investment in our network which means we have widened the reach of coverage to 93 per cent and 57 per cent of the population on 3G and 4G respectively.

In the next 12 months we plan to accelerate our 4G roll out to 5,000 sites. This will extend our coverage to every town in the country, cementing ourselves as Kenya's best 4G+ network.

Bob Collymore, CEO

Condensed Consolidated Statement of Comprehensive Income for the Year ended KShs Bn

	Group			
	31-Mar-19 IFRS 15	31-Mar-19 IAS 18	31-Mar-18 IAS 18	Change% IAS 18
Service revenue	239.77	240.30	224.54	7.0%
Handsets and other revenue	9.45	9.58	8.98	6.7%
Construction revenue	0.60	0.60	0.20	>100.0%
Other income	0.46	0.46	0.51	(8.9%)
Total revenue	250.28	250.96	234.22	7.1%
Direct costs	(71.79)	(71.82)	(70.55)	1.8%
Construction costs	(0.60)	(0.60)	(0.20)	>100.0%
Other expenses	(53.59)	(53.59)	(50.64)	5.8%
Earnings before interest, taxes, depreciation & amortisation (EBITDA)	124.30	124.94	112.83	10.7%
Depreciation and amortisation	(35.33)	(35.33)	(33.56)	5.3%
Earnings Before Interest and Taxes (EBIT)	88.97	89.61	79.27	13.1%
Finance Income	2.76	2.76	1.83	50.8%
Finance Costs	(0.52)	(0.52)	(1.20)	(56.5%)
Share of profit of associate	0.01	0.01	0.01	(46.0%)
Profit before taxation	91.22	91.86	79.91	14.9%
Income tax expense	(28.73)	(28.46)	(24.62)	15.6%
Total comprehensive income for the year	62.49	63.40	55.29	14.7%
Attributed to:				
Equity holders of the company	62.49	63.40	55.29	14.7%
Basic and diluted earnings per share (EPS)	1.56	1.58	1.38	14.7%
Normal dividend proposed	50.08	50.08	44.07	
Normal dividend per share (DPS) proposed	1.25	1.25	1.10	
Special Dividend proposed	24.84	24.84		
Special dividend per share (DPS) proposed	0.62	0.62		

Condensed Consolidated Statement of Financial Position. KShs Bn

	Group			
	31-Mar-19 IFRS 15	31-Mar-19 IAS 18	31-Mar-18 IAS 18	Change% IAS 18
Capital Employed				
Share capital (including share premium)	4.20	4.20	4.20	-
Retained earnings	65.22	64.12	75.64	(15.2%)
Proposed dividends	50.08	50.08	44.07	13.6%
Special dividends	24.84	24.84		-
Shareholders Funds	144.35	143.24	123.91	15.6%
Represented by:				
Non current liabilities	1.87	1.63	0.00	>100.0%
Total Equity and non-current liabilities	146.22	144.87	123.91	16.9%
Non Current Assets	142.52	141.55	139.98	1.1%
Current Assets:				
Contract assets	1.99	0.00	0.00	-
Inventories	1.78	1.77	1.61	10.6%
Receivables and prepayments	18.13	18.03	15.85	13.7%
Cash and cash equivalents	20.03	20.03	9.50	>100.0%
Other Financial Assets	8.04	8.04	0.00	100.0%
Income Tax recoverable	0.00	0.00	0.50	100.0%
	49.96	47.88	27.46	74.3%
Current Liabilities:				
Contract liabilities	9.28	7.94	8.85	(10.3%)
Payables and accrued expenses	28.70	28.61	26.47	8.1%
Provisions for other liabilities	3.89	3.89	4.03	(3.3%)
Income tax payable	0.35	0.08	0.14	(42.4%)
Borrowings	4.03	4.03	4.04	(0.2%)
	46.26	44.55	43.53	2.4%
Net Current Assets/ (Liabilities)	3.70	3.32	(16.06)	<100.0%
	146.22	144.87	123.91	16.9%

Condensed Consolidated Statement of Cash Flows for the Year Ended KShs Bn

	Group			
	31-Mar-19 IFRS 15	31-Mar-19 IAS 18	31-Mar-18 IAS 18	Change% IAS 18
Operating activities				
Cash generated from operations	125.29	126.06	117.23	7.5%
Movement in restricted cash	(0.33)	(0.35)	(0.39)	(11.3%)
Net interest received	2.32	2.32	1.40	65.6%
Income tax paid	(27.46)	(27.46)	(26.28)	4.5%
Net cash from operating activities	99.81	100.58	91.96	9.4%
Investing activities				
Investing activities	(45.05)	(45.05)	(36.40)	23.8%
Other financing activities	(0.16)	(0.21)	(13.16)	(98.4%)
Dividends paid	(44.07)	(44.07)	(38.86)	13.4%
Net movement in cash and cash equivalents	10.53	11.25	3.54	>100.0%
Movement in cash and cash equivalents				
At start of year	9.50	9.50	5.96	59.5%
Increase	10.53	10.53	3.54	<100.0%
At end of the year	20.03	20.03	9.50	>100.0%

Commentary on Results

The Board of Directors is pleased to announce the audited results for the year ended 31 March 2019. The same accounting policies and methods of computation have been used as were in the last financial statements, with the exception of IFRS 15 and IFRS 9.

During the year there was a 7.7% increase in number of customers to 31.8m, which supported our Services Revenue of growth of 7.0%. Growth was driven by M-PESA, mobile data and fixed data as we continue to offer new and innovative products at more affordable prices. This commitment to our customers can be clearly demonstrated by the launch of new products like Fuliza and a 42% reduction on the average rate per megabyte.

In order to support this growth, the company continued to invest heavily in the expansion and modernization of its 3G and 4G networks, fibre roll out and the M-PESA platform.

Capital expenditure for the year ended 31 March 2019 stood at KShs 37.25bn. To finance this expansion, the company levered its statement of financial position and continues to invest a significant portion of internally generated cash.

Borrowings

As at 31 March 2019 bank borrowings were at KShs 4.03bn with cash and cash equivalents at KShs 20.03bn, leaving a net cash of KShs 16.00bn

Taxation

The Group continues to be a major contributor to the revenues of the Government and remitted KShs 98.13bn in duties, taxes and license fees for the period ended 31 March 2019. This increased the total duties, taxes and fees paid since inception to KShs 698.52bn.

Dividends

The Directors recommend for approval the payment of a normal dividend per share of KShs 1.25 representing a total dividend of KShs 50.08bn and a special dividend per share of KShs 0.62 representing total special dividend of KShs 24.84bn. The dividend will be paid on or before 1 December 2019, subject to the shareholders' approval at the annual general meeting.

Notes

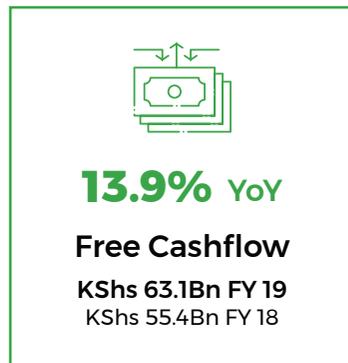
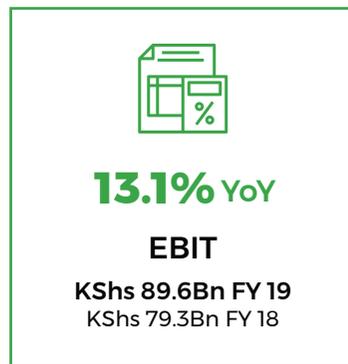
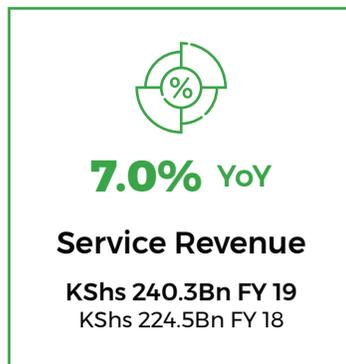
Following the modified retrospective adoption of IFRS 15 - Revenue from Contracts with Customers on 1 April 2018, the Group's results for year ended 31 March 2019 are on an IFRS 15 basis, whereas the results for the year ended 31 March 2018 are (as previously reported) on an IAS 18 basis.

To ensure appropriate disclosure during the period of transition onto IFRS 15, numbers for the year ended 31 March 2019 have been disclosed on both an IFRS 15 and IAS 18 basis and our commentary describing our operating performance has been provided solely on an IAS 18 basis.

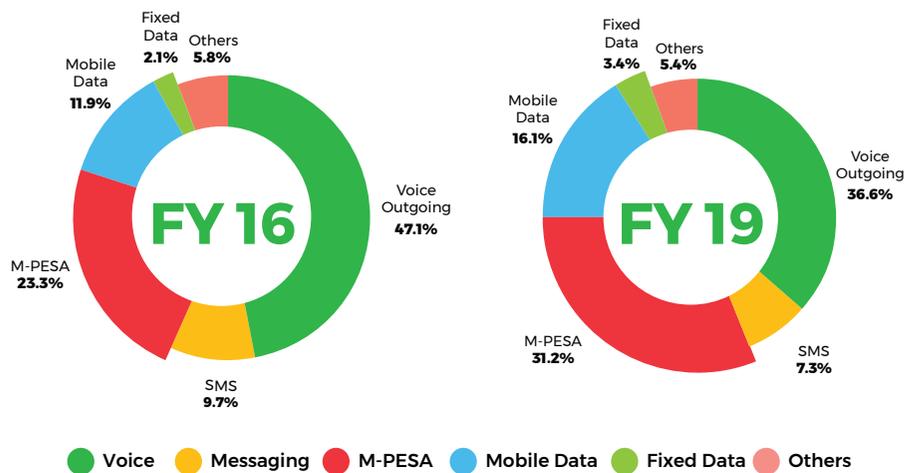
By order of the Board

Nicholas Nganga
Chairman
2 May 2019

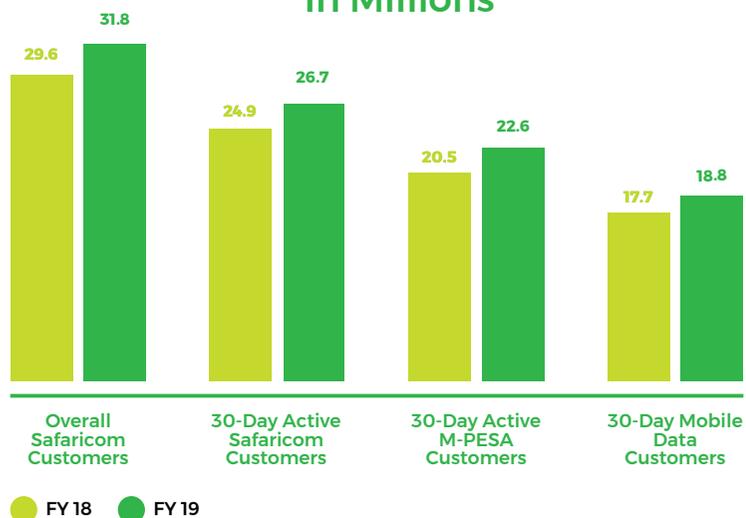
Key Financials



Evolution of Service Revenue



In Millions



PEOPLE & PURPOSE | Impact on Society

6.5%

CONTRIBUTION TO GDP

The total economic impact of annual revenues generated from the operations of Safaricom results can be separated into direct, indirect and induced impact.

Total duties, taxes and fees paid since inception is KShs 698.52bn.

OUR COMMITMENT | Nawe Kila Wakati



INVESTMENT IN COMMUNITIES THROUGH STRATEGIC PARTNERSHIPS

65k+ mothers benefitted from Maternal and Child Health Programme.

266 women benefitted from Fistula surgeries

Close to 900k direct & indirect jobs created

Water supplied to 20k+ people

160 children with disabilities treated and 78 linked to schools

Fulfilling 500 community dreams through 'Ndoto Zetu'

INVESTMENTS | Service Enablers

Best 4G+ Network for



Enablers

Most Affordable 4G Smartphones

Nearly doubling 4G sites to 5k

Launch of VoLTE for HD Voice and Video Calls

Every town in Kenya (600) covered by 4G

80% of the population covered by 4G

Homes passed with fibre growing 20% to 360k

Safaricom
Twaweza