

SAFARICOM LIMITED

Condensed audited financial statements for the year ended 31 March 2015

Condensed Consolidated Statement of Comprehensive Income Kshs '000	Group		%
	31-Mar-15	31-Mar-14	Change
Revenue	163,364,121	144,672,477	12.9%
Other income	575,604	126,625	>100%
Direct costs	(56,708,576)	(51,963,714)	9.1%
Other expenses	(36,039,990)	(31,892,090)	13.0%
Earnings before interest, taxes, depreciation & amortisation (EBITDA)	71,191,159	60,943,298	16.8%
Depreciation, impairment and amortisation	(25,570,159)	(25,787,231)	(0.8%)
Net financing Income/(cost)	424,869	(186,946)	<100%
Assets purchase gain	107,717	-	-
Share of associate (loss)/profit	(4,041)	15,309	<100%
Profit before taxation	46,149,545	34,984,430	31.9%
Income tax expense	(14,278,242)	(11,966,890)	19.3%
Total comprehensive income for the period	31,871,303	23,017,540	38.5%
Attributed to:			
Equity holders of the company	31,871,303	23,017,540	38.5%
Basic and diluted earnings per share (EPS)	0.80	0.57	38.5%
Proposed dividend	25,641,874	18,830,751	36.2%
Proposed dividend per share (DPS)	0.64	0.47	36.2%

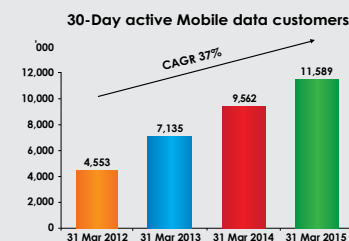
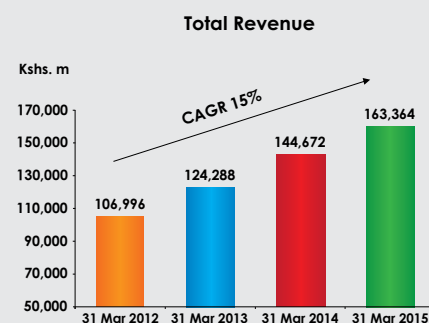
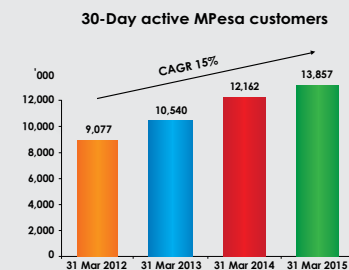
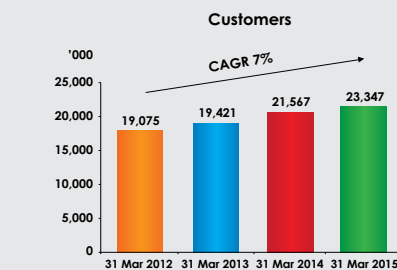
Condensed Consolidated Statement of Financial Position Kshs '000	Group		%
	31-Mar-15	31-Mar-14	Change
Capital Employed			
Share capital (including share premium)	4,203,311	4,203,311	0.0%
Retained earnings	74,431,346	68,201,917	9.1%
Proposed dividends	25,641,874	18,830,751	36.2%
Shareholders Funds	104,276,531	91,235,979	14.3%
Non current borrowings	490,762	5,102,380	(90.4%)
	104,767,293	96,338,359	8.7%
Represented by			
Non Current Assets	124,367,073	106,279,478	17.0%
Current Assets:			
Inventories	8,258,601	2,955,967	179.4%
Receivables and prepayments	10,301,643	7,746,617	33.0%
Cash and cash equivalents	14,030,309	17,618,884	(20.4%)
	32,590,553	28,321,468	15.1%
Current Liabilities:			
Payables and accrued expenses	41,423,899	29,473,060	40.5%
Current income tax	617,216	1,276,527	(51.6%)
Borrowings	10,149,218	7,513,000	35.1%
	52,190,333	38,262,587	36.4%
Net current liabilities	(19,599,780)	(9,941,119)	97.2%
	104,767,293	96,338,359	8.7%

Condensed Consolidated Statement of Cash Flows Kshs '000	Group		%
	31-Mar-15	31-Mar-14	Change
Operating activities			
Cash generated from operations	74,636,662	62,913,283	18.6%
Net interest paid	218,994	(354,767)	<100%
Income tax paid	(13,853,092)	(11,425,327)	21.2%
Net cash from operating activities	61,002,564	51,133,189	19.3%
Investing activities	(43,784,988)	(28,851,960)	51.8%
Financing activities	(20,806,151)	(19,659,267)	5.8%
Net movement in cash and cash equivalents	(3,588,575)	2,621,962	(236.9%)
Movement in cash and cash equivalents			
At start of year	17,618,884	14,996,922	17.5%
Increase	(3,588,575)	2,621,962	<100%
At end of the period	14,030,309	17,618,884	(20.4%)

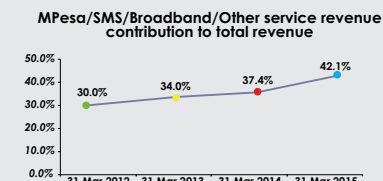
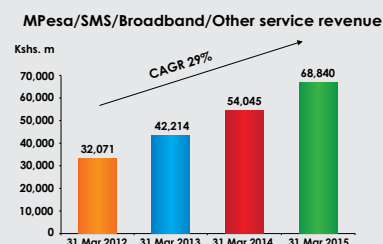
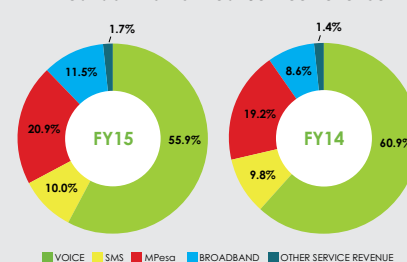
The above selected financial data has been extracted from the Group's financial statements which have been audited by PricewaterhouseCoopers.

Key highlights for the period ended 31 March 2015

- Customer numbers have increased by 8.3% to 23.35m as at March 2015 from 21.57m as at March 2014
- Mobile data customers who were active in the last 30 days increased by 21.2% to 11.59m as at March 2015 from 9.56m as at March 2014
- MPesa customers who were active in the last 30 days grew by 14% to 13.86m as at March 2015 compared to 12.16m as at March 2014
- Total revenue increased by 12.9% to Kshs 163.36bn compared to Kshs 144.67bn for the period ended March 2014
- Voice revenue increased by 3.7% to Kshs 87.41bn compared to Kshs 84.32bn for the period ended March 2014
- SMS revenue grew by 14.8% to Kshs 15.63bn compared to Kshs 13.62bn for the period ended March 2014
- Mobile data revenue increased by 59.2% to Kshs 14.82bn compared to Kshs 9.31bn for the period ended March 2014
- Fixed service revenue increased by 21.7% to Kshs 3.13bn compared to Kshs 2.57bn for the period ended March 2014
- MPesa revenue grew by 22.8% to Kshs 32.63bn compared to Kshs 26.56bn for the period ended March 2014
- Non-voice service revenue (MPesa/SMS/Broadband/Other service revenue) increased to 42.1% of total revenues from 37.4% for the period ended March 2014
- EBITDA increased by 16.8% to Kshs 71.19bn compared to Kshs 60.94bn for the period ended March 2014
- Net income increased by 38.5% to Kshs 31.87bn compared to Kshs 23.02bn for the period ended March 2014
- Dividend payout recommended of Kshs 25.64bn, an increase of 36.2% compared to Kshs 18.83bn for the period ended 31 March 2014
- Launched 4G network: Kenya's first
- Trusted to build the National Police Security Network with phase 1 due to go live in May 2015



Breakdown of Full Year Service Revenue



Commentary on results

The Board of Directors is pleased to announce the audited results for the year ended 31 March 2015. 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 23.35m as at 31 March 2015 from 21.57m as at 31 March 2014. In order to support this growth, the company continued to invest heavily in both the expansion and modernisation of its 2G and 3G networks.

Capital expenditure for the period ended 31 March 2015 stood at Kshs 33.70bn (excluding acquisitions) to bring the total capital expenditure from inception to Kshs 276.62bn. To finance this expansion, the company has continued to reinvest a significant portion of internally generated cash.

Total borrowings as at 31 March 2015 stood at Kshs 10.64bn. Cash and cash equivalents stood at Kshs 14.03bn, leaving net cash of Kshs 3.39bn.

Taxation

The Group continues to be the major contributor to the revenues of the Government and remitted Kshs 54.77bn in duties, taxes and license fees for the period ended 31 March 2015. This increased the total duties, taxes and fees paid since inception to Kshs 345.71bn. In addition we have dividend payments of Kshs 30.0bn (includes proposed dividend for this financial year for the Government).

Dividends

The Directors recommend for approval the payment of a dividend per share of Kshs 0.64 representing a total dividend payment of Kshs 25.64bn. The dividend will be paid on or before 2 December 2015, subject to the shareholders' approval at the AGM.

Closure of Register

The register of members will be closed at the closure of business on 3 September 2015 for the purpose of determining shareholders' entitlement of dividend.

Annual General Meeting

The Annual General Meeting will be held on 3 September 2015.

By order of the Board

Nicholas Nganga

Chairman

Date: 6 May 2015