

THE UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

The Board of Directors is delighted to announce the Un-audited Results for the Six Months ended 31 December 2014.

OPERATIONS		
	31 Dec 2014	31 Dec 2013
Installed capacity (MW)	1,575	1,231
Units sold (GWh)	3,383	3,098
CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2014		
	Unaudited 31 Dec 2014	Unaudited 31 Dec 2013
	KShs' million	KShs' million
Revenue		
Electricity Revenue	11,659	8,482
Interest Income	172	266
Other Income	352	168
Total Revenue	12,183	8,916
Expenses		
Other (losses)/gains	(24)	147
Operating Expenses	(6,991)	(5,842)
Finance Costs	(1,377)	(1,385)
Profit before Tax	3,790	1,836
Tax	1,138	(818)
Net profit for the year	4,928	1,018
Net (loss)/gains on revaluation of Treasury Bonds	4	(94)
Total comprehensive income	4,932	924
Earnings per share		
-Basic and Diluted(Kshs.)	2.24	0.46
CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014		
	Unaudited 31 Dec 2014	Audited 30 June 2014
	KShs' million	KShs' million
ASSETS		
Property, Plant and Equip.	218,574	209,236
Other Non-current Assets	7,786	13,339
Current Assets	20,582	27,631
	246,942	250,206
EQUITY AND LIABILITIES		
Share Capital	5,496	5,496
Reserves	75,267	71,214
Non-Current Liabilities	137,374	148,300
Current Liabilities	28,805	25,196
	246,942	250,205
CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2014		
	31 Dec 2014	31 Dec 2013
	KShs' million	KShs' million
Balance at 1 July	4,627	3,997
Net cash(used in)/ generated from operating activities	4,827	1,466
Net cash used in investing activities	(12,203)	(27,323)
Net cash generated from / (used in) financing activities	(694)	22,341
Balance at December	(3,441)	481

BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting." The same accounting policies and methods of computation are followed in these interim financial statements and they do not include all the information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended 30th June 2014.

PERFORMANCE OVERVIEW

We are indeed delighted to report KenGen's unaudited results for the six (6) months ended 31 December 2014.

We achieved significant growth in capacity expansion, revenue and profitability following the completion of our Vision 2030 flagship project, the 280MW Olkaria plants. Our performance was further enhanced by installation of additional 35.6MW of Wellheads, 20.4MW Ngong Wind and successful completion of works on Olkaria II power plant which had been undergoing major maintenance.

Overall, our installed capacity grew by 28% from 1,231MW in December 2013 to the current 1,575MW. Energy generated and sold to Kenya Power rose by 9% from 3,098GWh to 3,383GWh as a result of increased generation from the newly completed power plants and improvements from plants which were undergoing overhauls during the same period last year.

Electricity revenue grew by 37% from Kshs 8,482 million in December 2013 to Kshs 11,659 million in December 2014 which is mainly attributable to increase in both capacity revenue and energy revenue from the newly completed 280MW Olkaria geothermal plants and 35.6MW of Wellheads.

Interest income declined by 35% from Kshs 266 million in December 2013 to Kshs 172 million in December 2014 due to reduced treasury bonds and cash balance following investments in projects. Other income increased by 109% from Kshs 168 million to Kshs 352 million as a result of other revenue including insurance compensation of Kshs 191 million.

Operating costs increased by 20% from Kshs 5,842 million to Kshs 6,991 million mainly due to the costs associated with new power plants.

Profit before tax increased by 106% from Kshs 1,836 million in December 2013 to Kshs 3,790 million in December 2014 while Profit after tax increased by 384% from Kshs 1,018 million to Kshs 4,928 million propelled by capacity growth, improved performance and tax credit from capital allowances enjoyed by the Company following the commissioning of 280MW Geothermal plants and Wellheads in Olkaria.

DIVIDEND

The Board of Directors do not recommend payment of an interim dividend.

FUTURE OUTLOOK

The commissioning of 280MW Olkaria Plants marks a great milestone in the execution of our G2G Strategy. The 20.4MW Ngong wind project was completed in December 2014 and is being dispatched to the national grid. The installation of additional 15MW of Wellheads is progressing well and is expected to be complete by June 2015. With the above achievements, we expect significant growth in our performance for the next half year to June 2015.

The drilling of the 80 wells for the 560MW projects is ongoing. With the implementation of the 280MW Olkaria project behind us, we are now focused on the other Horizon II projects which include the implementation of 350MW geothermal projects comprising of 70MW Olkaria I Unit 6, 140MW Olkaria V and 140MW Olkaria VI. Additionally, 100MW of wind is to be implemented in Meru. This supports our target contribution of 844MW towards the 5000+ MW Government goal.

We affirm that the preparations for the capital restructuring are at an advanced stage.

We continue to receive support from The National Treasury, Ministry of Energy and Petroleum, Development Partners, bankers and other industry stakeholders. KenGen is set to contribute significantly towards delivering affordable power to the economy.

BY ORDER OF THE BOARD

ENG. ALBERT MUGO
MANAGING DIRECTOR & CEO

26th February 2015