

ABRIDGED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Abridged and Published in Accordance with Article 137 of the Articles of Association of the Company

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SIXTY-SIXTH ANNUAL GENERAL MEETING of the Company will be held at the Safaricom Indoor Arena, Kasarani, Thika Road, Nairobi on Tuesday, 11 December 2018 at 11.00 a.m. to conduct the following business:

ORDINARY BUSINESS

- To table the proxies and note the presence of a quorum.
- To read the Notice convening the meeting.
- To consider and if approved, adopt the Company's audited financial statements for the year ended 30 June 2018, together with the Chairman's, Directors' and Auditors' Reports thereon.
- To approve the payment of a final dividend of 33% or Kshs 0.40 per ordinary share of Kshs 2.50, subject to withholding tax where applicable, in respect of the financial year ended 30 June 2018.
- To approve payment of Directors' fees for the year ended 30 June 2018.
- Auditors:
To note that the audit of the Company's books of accounts will continue to be undertaken by the Auditor-General or an audit firm appointed by him in accordance with Section 23 of the Public Audit Act 2015.
- To authorise the Directors to fix the remuneration of the Auditors.
- To elect Directors:
 - Mr. Henry Rotich, who retires on rotation in accordance with Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director of the Company.
 - Mr. Joseph Sitati, who retires on rotation in accordance with Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director of the Company.
 - Mr. Maurice Nduranu who retires on rotation in accordance with Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director of the Company.
- In accordance with the provisions of Section 769 of the Companies Act 2015, the following directors, being members of the Audit & Risk Management Committee of the Board be elected to continue to serve as members of the said Committee:
 - Mr. Joseph Sitati (Subject to his re-election to the Board as per Agenda item 8 (ii))
 - Mr. Humphrey Muhu, Alternate to Henry Rotich (Cabinet Secretary - The National Treasury)
 - Mrs. Ziporah Ndegwa
 - Mrs. Phyllis Wakiaga
 - Mr. Kairu Bachia
- To consider any other business for which due notice has been given.

By Order of the Board

Paul K. Ndungi
Company Secretary

19 November 2018

NOTES:

- A member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member of the Company.
- A Proxy Form may be obtained from the Company's website at www.kengen.co.ke, registered office of the Company, Pension Plaza 2, Kolobot Road, Parklands, Nairobi or offices of the Company's shares registrar firm, Image Registrars Limited, Barclays Plaza 5th Floor, Loita Street, Nairobi.
- To be valid, the Proxy Form, must be duly completed by a member and must either be lodged at the registered offices of the Company's shares registrar firm, Image Registrars Limited, Barclays Plaza 5th Floor, Loita Street, P.O. Box 9287, 00100 GPO, Nairobi or be posted, or scanned and emailed to info@image.co.ke in PDF format; so as to reach Image Registrars not later than Friday, 7 December 2018 at 11.00 a.m.
- In the case of a member being a Limited Company, the Proxy Form must be completed under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
- In accordance with Article 137 of the Articles of Association of the Company, a copy of the entire Annual Report & Accounts may be viewed on the Company's website at www.kengen.co.ke or a printed copy may be obtained from the Registered Office of the Company, KenGen Pension Plaza 2, Kolobot Road, Parklands, Nairobi, P.O. Box 47936 - 00100 GPO, Nairobi.

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30 June 2018	30 June 2017 (Restated) ¹
	KShs Million	KShs Million
Revenue	45,290	43,432
Reimbursable expenses (Fuel and water costs)	(9,406)	(8,979)
Revenue less reimbursable expenses	35,884	34,453
Other income	275	553
Other (losses)/gains-net	(1,050)	343
	35,109	35,349
Depreciation & amortisation	(10,148)	(9,244)
Expenses	(9,970)	(9,764)
Steam Costs	(3,549)	(2,796)
Operating Profit	11,442	13,545
Finance income	3,341	1,333
Finance costs	(3,037)	(3,417)
Profit Before Tax	11,746	11,461
Income tax expense	(3,855)	(2,455)
Profit After Tax	7,891	9,006
Other Comprehensive Income	(623)	(528)
Total comprehensive income	7,268	8,478
Basic and diluted earnings per share (KShs)	1.20	1.37
Dividend per share (KShs)(proposed)	0.40	-

CONDENSED STATEMENT OF FINANCIAL POSITION

	30 June 2018	30 June 2017 (Restated) ¹	30 June 2016 (Restated) ¹
	KShs Million	KShs Million	KShs Million
ASSETS			
Property, plant and equipment	328,082	323,843	320,933
Other non-current Assets	19,859	23,248	23,889
Current assets	31,412	29,639	21,916
	379,353	376,730	366,738
EQUITY AND LIABILITIES			
Share capital	16,488	16,488	15,610
Share premium	22,151	22,151	21,056
Reserves and retained earnings	151,465	144,198	135,719
Non-current liabilities	168,370	173,800	176,163
Current liabilities	20,879	20,093	18,190
	379,353	376,730	366,738

¹The financial statements have been restated to account for the foreign exchange differences recoverable from Kenya Power as a derivative in line with International Accounting Standard (IAS) 39, to account separately for fuel and water revenues and costs and to reflect the application of an asset ceiling on the retirement benefits obligation asset in line with the requirements of IAS 19(R) and the Retirement Benefits Act and Regulations.

CONDENSED STATEMENT OF CASH FLOWS

	30 June 2018	30 June 2017
	KShs Million	KShs Million
Balance at 1 July	7,831	6,756
Net cash generated from operating activities	17,510	13,201
Net cash used in investing activities	(14,843)	(13,074)
Net cash (used in)/generated from financing activities	(7,144)	946
Effects of exchange rate changes on cash and cash equivalents	29	2
Balance at June	3,383	7,831