

UNAUDITED RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2018

CHAIRMAN'S STATEMENT

The year of 2018 saw continued growth in the local cement industry, with the market increasing at a higher rate than in previous years. Competition was again fierce, and yet despite the cement over capacity in the local market, TPCPLC once again strengthened its market leadership.

The efforts made throughout the year on the operational side to increase clinker production, whilst overcoming technical challenges, combined with the focus on producing and selling high quality products, whilst maintaining strong customer relationships and service excellence, has allowed TPCPLC to report an improved full year result.

Total volumes sold in 2018 increased by 9% on 2017, and with revenue also increasing by 30%, this resulted in an operating profit of TZS 80.1Bn being recorded, a 28% increase on the previous full year result.

| INCOME STATEMENT | 2018 | 2017 |
|--|--------------------|-------------------|
| | TZS'000 | TZS'000 |
| Revenue | 348,863,384 | 268,209,096 |
| Cost of sales | (223,951,693) | (184,903,676) |
| Gross profit | 124,911,691 | 83,305,420 |
| Selling and administrative expenses | (27,221,412) | (25,029,949) |
| Other operating income | 148,927 | 22,463,707 |
| Depreciation and amortization | (17,778,169) | (18,066,388) |
| Operating profit | 80,061,037 | 62,672,790 |
| Financial items | 1,683,745 | 2,925,035 |
| Profit before tax | 81,744,782 | 65,597,825 |
| Taxes on income | (24,878,688) | (30,001,432) |
| Net profit for the period | 56,866,094 | 35,596,393 |
| Other comprehensive income, net of tax | (403,822) | (1,362,319) |
| Total comprehensive income | 56,462,272 | 34,234,074 |
| Number of shares | 179,923,100 | 179,923,100 |

| BALANCE SHEET | 2018 | 2017 |
|--------------------------------|--------------------|--------------------|
| | TZS'000 | TZS'000 |
| Assets | | |
| Intangible fixed assets | 1,304,535 | 2,635,382 |
| Tangible fixed assets | 140,948,038 | 150,539,114 |
| Non-current financial assets | 7,513,661 | 16,743,912 |
| Non current assets | 149,766,234 | 169,918,408 |
| Inventories | 55,104,226 | 41,711,115 |
| Trade and other receivables | 44,712,022 | 37,662,987 |
| Other current financial assets | 7,191,031 | 4,119,985 |
| Cash and cash equivalents | 65,987,258 | 34,739,002 |
| Currents assets | 172,994,537 | 118,233,089 |
| Total assets | 322,760,771 | 288,151,497 |

| | | |
|-------------------------------------|--------------------|--------------------|
| Equity and Liabilities | | |
| Equity | 224,935,758 | 186,465,797 |
| Long term provisions | 8,205,223 | 6,867,069 |
| Provision for deferred taxes | 21,035,003 | 25,220,943 |
| Non current liabilities | 29,240,226 | 32,088,012 |
| Dividend payable | 3,850,962 | 15,519,795 |
| Trade and other payables | 61,158,067 | 45,643,564 |
| Taxes payable | 3,575,758 | 8,434,329 |
| Current liabilities | 68,584,787 | 69,597,688 |
| Total equity and liabilities | 322,760,771 | 288,151,497 |

Prospects

The company continues to face increasing competition, but TPCPLC will continue to work to maintain its market leadership position.

Appreciation

The Board would like to thank all its stakeholders for their support during the year. We have every confidence that TPCPLC will continue to deliver value for the shareholders in the future.

BY ORDER OF THE BOARD



Hakan Gurdal
Chairman of the Board
29 March 2019

| STATEMENT OF CASH FLOW | 2018 | 2017 |
|--|--------------------|-------------------|
| | TZS'000 | TZS'000 |
| Profit before tax | 81,744,782 | 65,597,825 |
| Depreciation and amortisation | 17,778,169 | 18,066,388 |
| Interest received | 1,350,833 | 635,206 |
| Income tax paid | (31,997,950) | (20,645,696) |
| Elimination of non cash items | (3,858,379) | (24,284,245) |
| Change in working capital | (1,175,840) | 20,457,132 |
| Cash flow from operating activities | 63,841,615 | 59,826,610 |
| Cash flow from investing activities | (2,932,216) | (80,827) |
| Dividend paid | (29,661,144) | (48,182,450) |
| Change in cash and cash equivalents | 31,248,256 | 11,563,333 |
| Cash and cash equivalent 01.01 | 34,739,002 | 23,175,669 |
| Change in cash | 31,248,256 | 11,563,333 |
| Cash and cash equivalent 31.12 | 65,987,258 | 34,739,002 |

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