

**SENS ANNOUNCEMENT**  
(the “Notice” or “Announcement”)

**ISSUER**



**Lafarge Zambia Plc [“LAFARGE”]**

[Incorporated in the Republic of Zambia]

Company registration number: 304  
Share Code: LAFARGE  
ISIN: ZM0000000011  
Authorised by: Harriet Kapekele-Katongo – Company Secretary

**SPONSOR**



**STOCKBROKERS ZAMBIA LIMITED**

**Stockbrokers Zambia Limited**

[Member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Number: +260-211-232456  
Website: [www.sbz.com.zm](http://www.sbz.com.zm)

**APPROVAL**

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

**RISK WARNING**

The Notice or Announcement contained herein contains information that may be of a price sensitive nature. Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

**ISSUED: 29<sup>th</sup> August 2018**



# LAFARGE ZAMBIA PLC

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30TH JUNE 2018

In compliance with the requirements of the Securities Act No.41 of 2016 of the Laws of Zambia and the Listing Rules of the Lusaka Securities Exchange (LuSE), Lafarge Zambia Plc. announces the unaudited results for the half year ended 30th June 2018.

### SALES REVENUE UP 18% VS 2017 DUE TO INCREASED DEMAND IN THE MARKET

#### Half Year Key Figures

- Sales revenue at K498 million for the period up by 18% compared to 2017 attributed to strong market growth in the first half.
- Sales volume increased by 12% over the same period in 2017
- Fuel increase in February 2018 as well as rising input prices continue to adversely impact production costs.
- Profit before tax at K25 million compared to loss of K17 million at this time in 2017, an increase of over 200%.
- Strong cash generation of K14 million vs. a cash requirement of K6 million in 2017
- Financial structure remains solid with no long term external debt.

#### Half Year Company Highlights

- The operating environment for Lafarge Zambia was fairly stable given the challenging market with tight liquidity. In spite of this, market growth was higher than expected resulting in the 18% revenue growth.
- The Company continued to develop products and services to supply all major infrastructure projects in Zambia and at the same time accelerating the roll out of the Binastore Franchise network which aims to provide the homebuilders with a one stop building materials store. As at the date of reporting the total number of Binastores stood at 41 one year after the launch.
- Increase in production costs particularly energy costs (diesel and coal) negatively impacted the profit.
- The Financial position and cash flows remained solid and the company had no external debt.

#### Outlook:

We remain focused on developing the retail channel segment through the roll out of the Binastore franchise network to serve the needs of the home builder better and promote entrepreneurship especially for women and the youth.

The Company is optimistic that the continuing economic stability and the focus on infrastructure development by the Government will sustain the growth in the market throughout the year and 2019. The current substantial production over capacity in the Zambian market will support current market growth and enable further development of the export market.

We also remain committed to doing business in a safe and sustainable way that will aim to have no harm on the community in which we operate as well as on the environment in line with global LafargeHolcim standards. Through our Geocycle division we are continuously looking at ways of using alternative energy sources that are more environmentally friendly and carbon neutral.

#### Condensed Financial Statements For The Half Year Ended 30<sup>th</sup> June 2018

Kwacha Thousands

	2018	2017
<b>Condensed statement of comprehensive income for the period ended 30 June</b>	<b>K'000'</b>	<b>K'000'</b>
Revenue	498,002	421,110
Profit Before Interest and Tax	16,389	15,411
Net Financing Income/ (Expense)	2,198	1,694
Sundry Revenue/ (Expense)	318	(22,523)
Net Exchange Gain/ (Loss)	5,818	(11,211)
Profit/ (Loss) Before Tax	24,723	(16,629)
Income Tax (Expense)/ Credit	(10,005)	1,055
Dividend Received	-	-
<b>PROFIT/ (LOSS) FOR THE PERIOD</b>	<b>14,718</b>	<b>(15,574)</b>

Profit/ (Loss) Attributable to:		
Equity holders of the Parent	11,038	(11,681)
Minority Interest	3,680	(3,894)
Basic and Diluted Earnings Per Share (Kwacha per share)	0.074	(0.078)

#### Condensed statement of financial position as at 30 June

Net Assets Employed		
Property, plant and equipment	1,502,157	1,555,687
Investments	25,126	24,171
Net Current Assets	207,754	162,648
	<b>1,735,037</b>	<b>1,742,506</b>
Liabilities due after one year		
Provision for Environmental Liabilities	21,076	17,395
Deferred Liabilities	336	251
Deferred Tax	237,748	430,444
	<b>1,475,877</b>	<b>1,294,416</b>
Financed by		
Share Capital	10,002	10,002
Reserves	1,465,875	1,284,414
	<b>1,475,877</b>	<b>1,294,416</b>

#### Condensed statement of cashflow for the period ended 30 June

Net Cash from Operating Activities	14,630	10,721
Net Cash generated from/ (used in) Investing Activities	(870)	(6,388)
Net Cash generated/ (utilised) in Financing Activities	211	(10,549)
Increase/ (Decrease) in Cash and Cash Equivalents	13,971	(6,216)
Cash and Cash Equivalents at beginning of the year	58,319	17,771
Cash and Cash Equivalents at end of June	72,290	11,555

#### Statement of changes in equity as at 30 June

	Share Capital	Property Revaluation Reserve	Retained Earnings	Total
<b>Balance at 1 January</b>	10,002	513,479	1,047,731	1,571,212
Profit for the Year	-	-	18,938	18,938
Other Comprehensive Income	-	(11,242)	(17,728)	(28,970)
<b>Total Comprehensive Income</b>	-	(11,242)	1,209	(10,033)
Dividend paid in respect of previous year 2016	-	-	(50,010)	(50,010)
<b>Balance at December 2017</b>	<b>10,002</b>	<b>502,237</b>	<b>998,930</b>	<b>1,511,169</b>
<b>Balance at 1 January 2018</b>				
Profit for the year			14,718	14,718
Dividend paid in respect of previous year 2017			(50,010)	(50,010)
	<b>10,002</b>	<b>502,237</b>	<b>963,638</b>	<b>1,475,877</b>

Head Office: Farm No.1880, Kafue Rd, PO Box 32639, Chilanga, Lusaka, Zambia | Tel: +260 211 367 400 / 600 | Fax: +260 211 367 634  
E-mail: enquiries.zambia@lafargeholcim.com | [www.lafarge.co.zm](http://www.lafarge.co.zm) / [www.lafargeholcim.com](http://www.lafargeholcim.com)

A member of  
**LafargeHolcim**



LUSAKA STOCK EXCHANGE SPONSORING BROKER

STOCKBROKERS ZAMBIA LIMITED  
MEMBER OF THE LuSE and REGULATED BY THE  
SECURITIES AND EXCHANGE COMMISSION OF ZAMBIA  
T: +260-211-232456 | W: www.sbz.com.zm