

THE KENYA POWER & LIGHTING CO. LTD.

Stima Plaza, Kolobot Rd, Parklands
P O Box 30099 – 00100
Nairobi, Kenya
Tel: 3201622

P R E S S R E L E A S E

29th October, 2009

KPLC profit surpasses Shs.4 billion

Riding on the back of gains realised from improved operational efficiency, reduced system losses and enhanced tariffs, The Kenya Power & Lighting Company Ltd. (KPLC) registered a pre-tax profit of Shs.4.78 billion during the 2008/2009 trading period, a Shs.2 billion improvement over the previous year.

Trading results for the period released by KPLC Directors today showed electricity revenue increased by 52.4% to Shs.36,459 million, from Shs.23,917 million the previous year.

The net profit after tax also grew by 82.7 percent to Shs.3,225 million from Shs.1,765 million the previous year, after taking into account a tax charge of Shs.1,557 million. Following the improved trading performance, shareholders with ordinary shares will pocket dividends amounting to Shs.632 million, 100 percent more than the previous year, if a proposal by the directors to pay a total final dividend of Shs.8 is approved at the Company's forthcoming annual general meeting. An interim dividend of Shs.2 had already been paid earlier in the year.

The fixed assets of the Company also increased by 28.3% from Shs.39,057 million the previous year to Shs.50,107 million, arising from heavy and extensive investment by the Company from its own resources and those from development partners in power system upgrade and reinforcement.

The heavy investment was made to improve the quality of power supply to the economy, and to facilitate accelerated connection of new customers. During the year, the customer base grew by 201,194.

As a consequence of drought, hydro generation was scaled down during the year, while thermal generation was intensified, which culminated in fuel cost recoveries of Shs.28,269 million during the period up from Shs.16,433 million the previous year, which was an increase of 72%. The increase was attributable to high fuel prices in the international market during the first quarter of the year, and the increased amount of fuel used to generate power.

The Fuel revenue, which is recovered from customers, is a pass-through cost which is paid directly to thermal based bulk power suppliers, and does not constitute an income to KPLC.

The Directors said the thrust of the Company's initiatives in the future will remain securing adequate power supply, developing and implementing strategies aimed at expanding electricity access to Kenyans, improving the quality of supply and service to electricity customers, as well as enhancing the financial performance of the Company operations.

Ends

For more information, contact:

KPLC Corporate Communications Dept.

Tel. 3201622/30 or/39

Email comms@kplc.co.ke