

18th December, 2009

KPLC Shareholders take home Shs.632 million

Shareholders of power distributor, The Kenya Power & Lighting Company (KPLC), today approved a dividend payout of Shs.632 million at the Company's annual general meeting held at the Kenya School of Monetary Studies in Nairobi.

The payment works out to Shs.8 dividend per share, a 100 percent increase over the previous year's dividend of Shs.4 per share. An interim dividend of Shs.2 had already been paid during the year.

Company Chairman, Dr Crowther Pepela, chaired the meeting. Managing Director & CEO, Eng. Joseph Njoroge was also in attendance.

Riding on the back of gains realised from improved operational efficiency, reduced system losses and enhanced tariffs, 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 and the highest recorded performance in the history of the firm.

The trading results 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, earnings per share increased to Shs.40.76 up from Shs.22.30 in the previous 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.

In his report, the Managing Director & CEO, Eng. Njoroge said the Company would sustain the heavy investment in the distribution system to further improve services and connectivity through an additional USD72.8 million World Bank concessionary loan as part of the ongoing Energy Sector Recovery Project.

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.

In his report, Dr Crowther Pepela said the thrust of the Company's initiatives in the future would 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.

During the meeting, elections for three new directors were held.

Ends

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