

SAMEER AFRICA LIMITED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2007

The Directors of Sameer Africa Limited wish to announce the audited group results for year ended 31st December 2007.

CONSOLIDATED INCOME STATEMENT FOR YEAR ENDED DECEMBER 31ST 2007		
	DEC 31ST 2007 Kshs '000'	DEC 31ST 2006 Kshs '000'
SALES	3,469,283	3,171,049
COST OF SALES	(2,678,525)	(2,376,788)
GROSS PROFIT	790,758	794,261
OTHER OPERATING INCOME	104,744	86,119
DISTRIBUTION COSTS	(54,266)	(59,060)
ADMINISTRATIVE COSTS	(246,324)	(233,863)
OTHER OPERATING EXPENSES	(367,280)	(520,219)
OPERATING PROFIT	227,632	67,238
FINANCE COSTS (net)	(61,112)	(82,103)
PROFIT BEFORE TAX	166,520	(14,865)
TAX	(47,905)	(7,423)
PROFIT AFTER TAX	118,615	(22,288)
Profit/ (Loss) per share	2007 Kshs	2006 Kshs
Basic and diluted (Kshs per share)	0.43	(0.08)

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31ST 2007		
	DEC 31ST 2007 Kshs '000'	DEC 31ST 2006 Kshs '000'
ASSETS		
Non Current Assets		
Property, plant and equipment	697,499	745,900
Prepaid operating lease rentals	859	1,897
Other investments	218,683	224,963
Deferred Tax	19,313	12,927
	936,354	985,687
Working Capital		
Current Assets	2,225,529	2,324,379
Current Liabilities	(1,048,104)	(1,257,251)
Net Working Capital	1,177,515	1,067,128
NET ASSETS	2,113,869	2,052,815
CAPITAL EMPLOYED		
Share Capital	1,391,712	1,391,712
Retained earnings	627,016	508,401
Translation reserve	(56,806)	(49,127)
Shareholders' funds	1,961,922	1,850,986
Non current liabilities	151,947	201,829
	2,113,869	2,052,815

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2007		
	2007 Kshs '000'	2006 Kshs '000'
Cash generated from operations	8,782	136,073
Net interest paid	(79,990)	(69,584)
Tax paid	(29,243)	(28,495)
Net cash from operating activities	(100,451)	37,994
Net cash used in investing activities	(19,780)	(92,412)
Net cash generated from financing activities	(238,686)	25,777
Increase / (decrease in cash & cash equivalents	(358,917)	(28,641)
Movement in cash and cash equivalents		
At January 1st	31,981	65,832
Increase / (decrease) in cash & cash equivalents	(358,917)	(28,641)
Effects of exchange rate changes on cash and cash equivalents	(6,062)	(5,210)
At December 31st	(332,998)	31,981

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED DECEMBER 31ST 2007					
	Share Capital Kshs '000'	Retained Earnings Kshs '000'	Translation Reserve Kshs '000'	Proposed Dividends Kshs '000'	Total Kshs '000'
At January 2006	1,391,712	530,689	(33,102)	139,171	2,028,470
Current translation differences			(16,025)		(16,025)
Loss for the year		(22,288)			(22,288)
Dividend paid				(139,171)	(139,171)
At December 31st 2006	1,391,712	508,401	(49,127)	0	1,850,986
At January 2007	1,391,712	508,401	(49,127)	0	1,850,986
Current translation differences			(7,679)		(7,679)
Profit for the period		118,615			118,615
At December 31st 2007	1,391,712	627,016	(56,806)	0	1,961,922

BUSINESS COMMENTARY

As part of our renewed five year strategic plan, we restructured our operations and instituted process improvement as well as cost management measures that have contributed to the current growth and profitability.

Sales turnover was up 9.4% compared to the previous year. This was driven by the full establishment of the Yana brand, a growth in export sales, the expansion of the Yana Tyre Centers and improved availability of our imported brands. These initiatives have had a positive impact on the Company's overall performance and future prospects. Profit before tax rose to Kenya shillings 166.5m up from a loss of Kenya shillings 14.9m in 2006.

OUTLOOK IN 2008

2008 has started with high levels of uncertainty following the December 2007 elections while the competition is expected to continue in the local and regional market. Consequently, the Company's Board of Directors and Management have put in place strategic measures that will help the Company continue to grow in volumes and profit despite the current challenges.

We shall continue to improve our products and services' availability in line with our vision to be the leading tyre solutions provider in Africa and beyond, and will leverage our current strategic alliances with major tyre manufacturers internationally.

The directors do not recommend payment of a dividend.

BY ORDER OF THE BOARD

ISSA TIMAMY
COMPANY SECRETARY

