

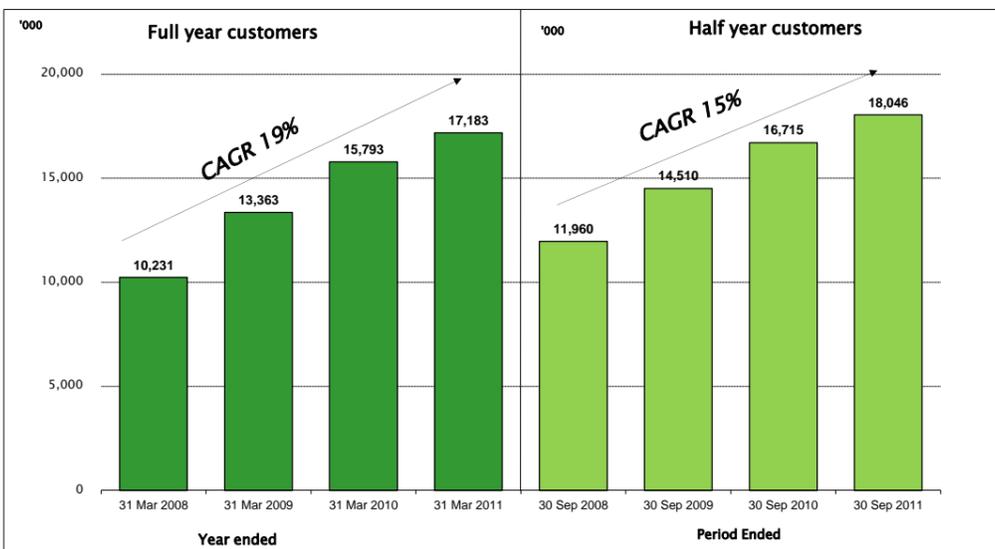
SAFARICOM LIMITED

Condensed unaudited financial statements for the six months ended 30 September 2011

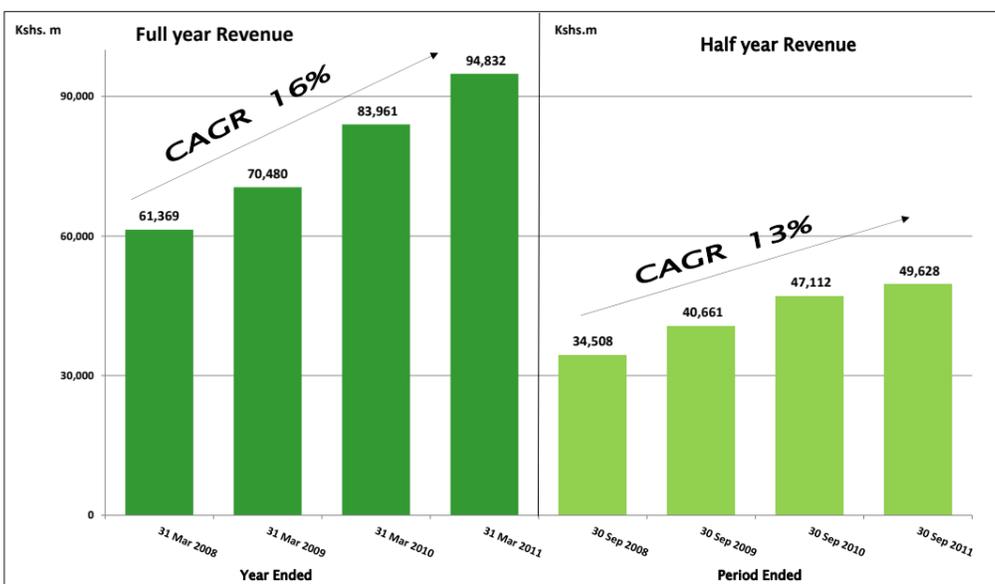
Condensed consolidated Statement of Comprehensive Income			
Kshs '000	30-Sep-11	30-Sep-10	% Change
Revenue	49,628,228	47,111,850	5.3%
Cost of sales	(26,507,354)	(21,617,990)	22.6%
Gross Profit	23,120,874	25,493,860	(9.3%)
Operating expenses (selling, distribution, administration and other expenses)	(17,077,253)	(14,565,999)	17.2%
Operating Profit	6,043,621	10,927,861	(44.7%)
Net finance costs	(645,147)	(484,275)	33.2%
Share of associate's loss	(1,972)	-	
Profit before tax	5,396,502	10,443,586	(48.3%)
Income tax expense	(1,383,683)	(2,812,995)	(50.8%)
Profit for the period	4,012,819	7,630,591	(47.4%)
Total comprehensive income for the period	4,012,819	7,630,591	(47.4%)
Attributed to:			
Equity holders of the Group/Company	4,071,488	7,720,104	(47.3%)
Non-controlling interest	(58,668)	(89,513)	(34.5%)
	4,012,820	7,630,591	(47.4%)
Gross Margin	46.6%	54.1%	(7.5%)
Earnings per share for profit attributable to the equity holders of the company			
- basic (Kshs per share)	0.102	0.193	(47.3%)

Key highlights for six months ended 30 September 2011

- Customer numbers have increased by 8% to 18.1m in September 2011 from 16.7m in September 2010
- Revenue increased by 5.3% to Kshs 49.6bn compared to Kshs 47.1bn in a similar period ended September 2010
- Data revenue now represents 31.7% of ongoing revenues from 25.2% in a similar period ended September 2010
- Mobile data customers increased by 71.6% to 5.1m in September 2011 from 2.98m in September 2010
- Strong growth of 49.3% in M-PESA revenue with 14.9m registered customers compared to 13.5m customers in September 2010
- Volatile shilling and escalating energy costs have increased our operating costs.

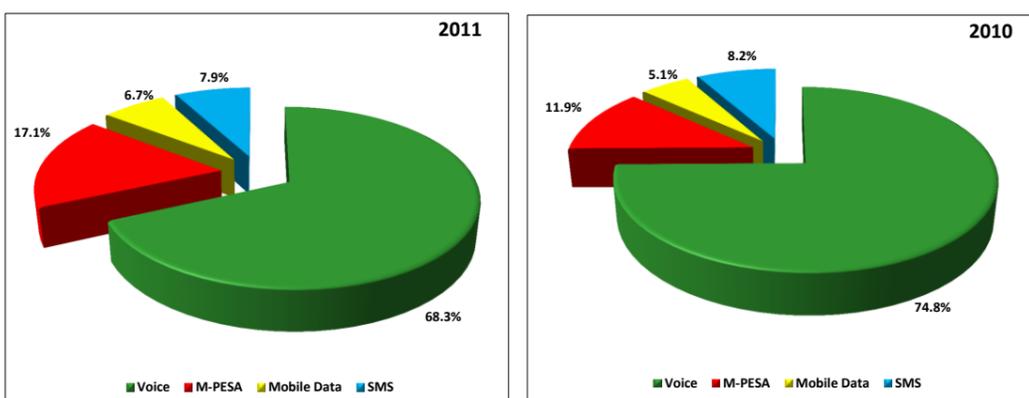


Condensed consolidated Statement of Financial Position			
Kshs '000	30-Sep-11	31-Mar-11	% Change
Capital Employed			
Share capital (including share premium)	3,850,000	3,850,000	0.0%
Retained earnings	60,074,235	56,002,747	7.3%
Proposed dividends	-	8,000,000	(100%)
Shareholders Funds	63,924,235	67,852,747	(5.8%)
Non-controlling interest	(457,324)	(398,656)	14.7%
Deferred liabilities	117,730	178,013	(33.9%)
Non Current Borrowings	12,125,528	12,104,932	0.2%
	75,710,169	79,737,036	(5.1%)
Represented by			
Non Current Assets	100,535,059	92,153,466	9.1%
Current Assets			
Inventories	5,451,976	5,880,837	(7.3%)
Receivables and prepayments	10,977,347	9,440,461	16.3%
Current income tax	915,301	1,009,581	(9.3%)
Derivative financial instruments	127,200	111,382	14.2%
Cash and cash equivalents	6,526,044	5,259,035	24.1%
	23,997,868	21,701,296	10.6%
Current Liabilities			
Payables and accrued expenses	35,292,872	31,101,667	13.5%
Dividend declared	8,000,000	-	100.0%
Borrowings	5,529,886	3,016,059	83.3%
	48,822,758	34,117,726	43.1%
Net current liabilities	(24,824,890)	(12,416,430)	99.9%
	75,710,169	79,737,036	(5.1%)



Condensed consolidated Statement of Cash Flows			
Kshs '000	30-Sep-11	30-Sep-10	% Change
Operating activities			
Cash generated from operations	18,044,436	16,867,645	7.0%
Interest paid	(787,198)	(684,844)	14.9%
Income tax paid	(2,008,603)	(3,722,911)	(46.0%)
Net cash from operating activities	15,248,635	12,459,890	22.4%
Net cash used in investing activities	(16,373,857)	(10,003,782)	63.7%
Net cash (used in)/ from financing activities	2,392,230	(1,080,000)	(322%)
Net increase in cash and cash equivalents	1,267,008	1,376,108	(7.9%)
Movement in cash and cash equivalents			
At start of period	5,259,035	10,723,415	(51.0%)
Increase/(Decrease)	1,267,008	1,376,108	(7.9%)
At end of the period	6,526,043	12,099,523	(46.1%)

Breakdown of Half year Ongoing Revenues



The above selected financial data has been extracted from the Group's unaudited financial statements.

Commentary on results

The Board of Directors is pleased to announce the unaudited results for the six months to 30 September 2011. The same accounting policies and methods of computation have been used as were in the last financial statements.

The six month period ended 30 September 2011 resulted in an increase in the number of customers to 18.1m. In order to support this growth, the company continued to invest heavily in the expansion of both its 2G and 3G networks.

Capital expenditure in the period rose significantly with a further investment of Kshs15.5 billion (excluding IRUs) to bring the total capital expenditure from inception to Kshs180.03 billion. To finance this expansion, the company has continued to reinvest a significant portion of internally generated cash and enhanced long-term funding.

Total borrowings as at 30 September 2011 stood at Kshs 17.7 billion.

Taxation

The Group continues to be a major contributor to the revenues of the government and remitted Kshs15.48 billion in duties, taxes and license fees in the period ended 30 September 2011, increasing the total duties, taxes and fees paid since inception to Kshs190.92 billion.

Dividends

As in previous years the Directors do not propose the payment of an interim dividend.

By order of the Board

Nicholas Nganga
Chairman