

**CENTUM INVESTMENT COMPANY LIMITED**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE HALF YEAR ENDED 30 SEPTEMBER 2009**

CENTUM INVESTMENT COMPANY LIMITED  
FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2009

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## CENTUM INVESTMENT COMPANY LIMITED

### INTERIM REPORT OF THE DIRECTORS

The directors present their report together with the unaudited financial statements for the period ended 30 September 2009.

#### ACTIVITIES

The group's principal activity remains that of engagement in investment activities.

#### RESULTS

	(Ksh '000')
Profit before taxation	113,640
Taxation	(40,465)
Profit after tax	----- 73,175
<b>Statement of Comprehensive income</b>	
Profit for the year	73,175
Other Comprehensive income	230,702
	-----
Total Comprehensive income transferred to reserves	303,877 =====

#### REVIEW OF PERFORMANCE

In preparation of the interim results, we adopted revisions to the International Accounting Standard 1 (IAS 1); Presentation of financial statements. Inclusion of a consolidated statement of comprehensive income provides for better analysis of our performance through review of our total return; which includes both realised and unrealised value movements in our equity portfolio.

In line with revisions to IAS 1, the balance sheet has been renamed the statement of financial position, while the cash flow statement is now the statement of cash flows.

Total comprehensive income improved significantly in the period by 429%, from Kshs. 57 million in the previous period to Kshs. 304 million. This is a reflection of the underlying value of the company's portfolio, which appreciated by Kshs. 231million. This appreciation however does not take into account movement in our unquoted investment portfolio, which we will revalue at the end of the financial year.

Profit after tax for the period declined by 79% from Kshs. 357 million in the prior year to Kshs. 73 million. This decline was mainly due to a reduction in realisations and timing differences in the receipt of dividend income from portfolio companies.

Operating costs remained within our target at 1.3% of opening portfolio value. The increase in operating costs by 74% compared to the prior period was also as a result of timing differences from last year.

During the period, Centum's net asset value per share grew by 5%, from Kshs. 11.48 in March 2009 to Kshs. 12.06 as at 30<sup>th</sup> September 2009.

## **OUTLOOK**

Our focus remains on our key objectives of scaling up the business and delivery of market beating returns.

We are confident in the strength of our portfolio to deliver market beating returns to our shareholder, and continue to demonstrate capacity to generate superior returns through economic cycles and periods of market volatility.

We continue to seek attractive opportunities and are working with our partners in portfolio companies to develop them into extraordinary enterprises.

## **DIVIDENDS**

The directors maintain the company's dividend retention policy and do not propose payment of an interim dividend.

**JAMES MWORIA**  
**MANAGING DIRECTOR**

Nairobi  
19 November 2009

CENTUM INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2009

	Note	6 months to 30 Sep 2009 Shs'000	6 months to 30 Sep 2008 Shs'000
INCOME	3	63,527	281,106
<b>EXPENSES</b>			
Administrative expenses		(37,958)	(31,636)
Other operating expenses		(39,437)	(12,900)
Finance costs	4	(26,012)	(12,366)
		(103,407)	(56,902)
SHARE OF PROFITS IN ASSOCIATED COMPANIES		153,520	182,549
PROFIT BEFORE TAXATION	5	113,640	406,753
TAXATION CHARGE	6	(40,465)	(50,217)
PROFIT FOR THE PERIOD		73,175	356,536
EARNINGS PER SHARE - Basic & diluted		Sh. 0.13	Sh. 0.65
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
PROFIT FOR THE PERIOD		73,175	356,536
<b>OTHER COMPREHENSIVE INCOME</b>			
Investment in quoted companies- fair value loss		166,369	(150,540)
Investment in unquoted companies - fair value loss		-	(148,756)
Share of movement in equity reserves of associates		64,333	-
		230,702	(299,117)
TOTAL COMPREHENSIVE INCOME		303,877	57,419

CENTUM INVESTMENT COMPANY LIMITED

COMPANY STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2009

	Note	6 months to 30 Sep 2009 Shs'000	6 months to 30 Sep 2008 Shs'000
INCOME	3	183,372	321,315
EXPENSES			
Administrative expenses		(37,924)	(31,603)
Other operating expenses		(39,437)	(12,838)
Finance costs	4	(26,012)	(12,366)
		(103,373)	(56,807)
PROFIT BEFORE TAXATION	5	79,999	264,508
TAXATION CHARGE	6	(556)	(597)
PROFIT FOR THE PERIOD		79,443	263,911
EARNINGS PER SHARE - Basic & diluted		Sh. 0.14	Sh. 0.48
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
PROFIT FOR THE PERIOD		79,443	263,911
OTHER COMPREHENSIVE INCOME			
Investment in quoted companies- fair value loss		166,369	(150,540)
Investment in unquoted companies - fair value loss		-	(148,577)
		166,369	(299,117)
TOTAL COMPREHENSIVE INCOME		245,811	35,206

CENTUM INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2009

		30 Sept 2009 Shs'000	31 March 2009 Shs'000
<b>ASSETS</b>	Note		
<b>Non current assets</b>			
Motor vehicle and equipment	8	3,908	3,428
Prepaid operating lease rentals	9	36,250	36,560
Intangible assets	10	789	446
Investment in associates	12	2,916,364	2,885,947
Unquoted investments	13	1,212,828	1,212,828
Quoted investments	14	3,020,068	2,305,043
Due from a related party		2,825	2,825
Deferred tax asset		13,350	13,350
Term deposit		-	-
		-----	-----
		7,206,382	6,460,427
		-----	-----
<b>Current assets</b>			
Receivables and prepayments	16	43,786	93,749
Taxation recoverable		5,076	5,632
Bank balances		4,871	10,131
		-----	-----
		53,733	109,512
		-----	-----
<b>Total assets</b>		<b>7,260,115</b>	<b>6,569,939</b>
		=====	=====
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	17	274,976	274,976
Share premium		589,753	589,753
Investment revaluation reserve		2,817,237	1,871,941
Revenue reserve		2,953,188	3,579,363
		-----	-----
Shareholders' equity		6,635,154	6,316,033
		-----	-----
<b>Current liabilities</b>			
Payables and accruals	18	83,288	10,062
Unclaimed dividends		53,611	73,863
Bank Overdraft	20	488,062	169,981
		-----	-----
		624,961	253,906
		-----	-----
<b>Total equity and liabilities</b>		<b>7,260,115</b>	<b>6,569,939</b>
		=====	=====

The financial statements on pages 5 to 25 were approved by the board of directors on 18 November 2009.

## CENTUM INVESTMENT COMPANY LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2009

		30 Sept 2009 Shs'000	31 Mar 2009 Shs'000
<b>ASSETS</b>	Note		
<b>Non current assets</b>			
Motor vehicle and equipment	8	3,908	3,428
Prepaid operating lease rentals	9	36,250	36,560
Intangible assets	10	789	446
Investment in subsidiary	11	114,835	114,735
Investment in associates	12	756,383	756,383
Unquoted investments	13	1,212,828	1,212,828
Quoted investments	14	2,601,272	2,305,043
Due from a related party		2,825	2,825
Deferred tax asset		13,350	13,350
Term deposit			-
		4,742,440	4,445,598
<b>Current assets</b>			
Due from Subsidiary	15	418,696	
Receivables and prepayments	16	72,622	150,266
Taxation recoverable		5,045	5,601
Bank balances		4,845	10,101
		501,208	
<b>Total assets</b>		5,243,648	4,611,566
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	17	274,976	274,976
Share premium		589,753	589,753
Investment revaluation reserve		1,919,320	1,038,357
Revenue reserve		1,550,665	2,170,574
Shareholders' equity		4,334,714	4,073,660
<b>Current liabilities</b>			
Payables and accruals	18	83,288	10,101
Due to a Related Party	19	283,973	284,061
Borrowings	20	488,062	169,981
Unclaimed dividends		53,611	73,863
		908,934	351,774
<b>Total equity and liabilities</b>		5,243,648	4,611,566

The financial statements on pages 5 to 25 were approved by the board of directors on 18 November 2009.



## CENTUM INVESTMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

	Share capital Shs'000	Share premium Shs'000	Investment Revaluation Reserve Shs'000	Revenue reserve Shs'000	Total Shs'000
At 1 April 2008	274,976	589,753	3,699,739	3,513,661	8,078,125
Total comprehensive income	-	-	(299,117)	356,536	57,419
	-----	-----	-----	-----	-----
At 30 September 2008	274,976	589,753	3,400,622	3,870,197	8,135,548
	=====	=====	=====	=====	=====
At 1 April 2009	274,976	589,753	1,871,941	3,579,363	6,316,033
Reclassification			714,593	(714,593)	-
	-----	-----	-----	-----	-----
Write back of statute barred dividend	274,976	589,753	2,586,535	2,864,770	6,316,034
Total Comprehensive Income			230,702	15,243	15,243
	-----	-----	-----	-----	-----
At 30 Sept 2009	274,976	589,753	2,817,237	2,953,188	6,635,154
	=====	=====	=====	=====	=====

The investment revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, the portion of the reserve that relates to that financial asset, and is effectively realised, is recognised in profit or loss. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in profit or loss.

## CENTUM INVESTMENT COMPANY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

	Share capital Shs'000	Share premium Shs'000	Investment revaluation reserve Shs'000	Revenue reserve Shs'000	Total Shs'000
At 1 April 2008	274,976	589,753	2,696,605	1,614,380	5,175,714
Total comprehensive income	-	-	(299,117)	263,911	(35,206)
	-----	-----	-----	-----	-----
At 30 September 2008	274,976	589,753	2,397,488	2,594,079	5,856,296
	=====	=====	=====	=====	=====
At 1 April 2009	274,976	589,753	1,038,357	2,170,574	4,073,660
Reclassification			714,593	(714,593)	-
	-----	-----	-----	-----	-----
Write back of statute barred dividend	274,976	589,753	1,752,951	1,455,979	4,073,660
Total comprehensive Income			166,368	15,243	15,243
	-----	-----	-----	-----	-----
At 30 Sept 2009	274,976	589,753	1,919,320	1,550,664	4,334,714
	=====	=====	=====	=====	=====

The investment revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, the portion of the reserve that relates to that financial asset, and is effectively realised, is recognised in profit or loss. Where a revalued financial asset is impaired, the portion of the reserve that relates to that financial asset is recognised in profit or loss.

CENTUM INVESTMENT COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

		6 months to 30 Sept 2009 Shs'000	6 months to 30 Sep 2008 Shs'000
<b>OPERATING ACTIVITIES</b>	Note		
Cash generated from operations	21	83,978	152,023
Taxation paid		-	(1,142)
Dividends received from associated companies		147,526	36,457
		-----	-----
Net cash generated from operating activities		231,504	187,338
		-----	-----
<b>INVESTING ACTIVITIES</b>			
Purchase of quoted equity investments		(611,121)	(625,428)
Purchase of other equity investments		-	-
Proceeds on disposal of quoted investments		63,049	192,316
Proceeds on disposal of equipment		(1,170)	(205)
Purchase of intangible assets		(597)	(164)
Proceeds on disposal of equipment		-	(35)
		-----	-----
Net cash generated from investing activities		(549,839)	(433,516)
		-----	-----
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(5,008)	(1,402)
		-----	-----
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(323,343)	(247,580)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		(159,849)	127,755
		-----	-----
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		(483,192)	(119,825)
		=====	=====

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009**1 ACCOUNTING POLICIES**

Preparation of the consolidated interim financial statements has been guided by IAS 34. The accounting policies used in the interim statement are consistent with those used in the financial statements for the year ended 31 March 2009.

**2 SEGMENT INFORMATION****Primary reporting format - Business segments**

	Automotive Shs '000	Beverage Shs '000	Financial Shs '000	Agricultural Shs '000	Industrial & allied Shs '000	Services Shs '000	Publishing Shs '000	Infrastructure Shs '000	Property Shs '000	Sep 09 Total Shs '000	Sep 08 Total Shs '000
<b>INCOME</b>											
Dividend income											
- unquoted investments	14,255	-	-	-	-	15,981	-	-	-	30,236	108,413
- quoted investments	-	16,523	2,332	1,563	2,347	5,669	-	-	-	28,434	22,331
	<u>14,255</u>	<u>16,523</u>	<u>2,332</u>	<u>1,563</u>	<u>2,347</u>	<u>21,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,671</u>	<u>130,744</u>
Rent income	-	-	-	-	-	-	-	-	300	300	30
Interest income	-	-	-	-	-	-	-	-	-	-	2,717
Gain on disposal of investment	-	-	684	-	-	-	-	-	-	684	129,740
Other investment income	-	1,673	998	-	270	-	259	-	672	3,872	17,876
	<u>14,255</u>	<u>18,195</u>	<u>4,015</u>	<u>1,563</u>	<u>2,617</u>	<u>21,650</u>	<u>259</u>	<u>-</u>	<u>972</u>	<u>63,527</u>	<u>281,107</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

2 SEGMENT INFORMATION

SHARE OF RESULTS OF ASSOCIATE COMPANIES	Automotive Shs ' 000	Beverage Shs ' 000	Financial Shs ' 000	Agricultural Shs ' 000	Industrial & allied Shs ' 000	Services Shs ' 000	Publishing Shs ' 000	Infrastructure Shs ' 000	Property Shs ' 000	Sep 09 Total Shs ' 000	Sep 08 Total Shs ' 000
Share of profit	-	129,945	38,002	-	-	-	(14,427)	-	-	153,520	182,549
Share of tax	-	(32,471)	(10,941)	-	-	-	3,503	-	-	(39,909)	(49,620)
	-	97,474	27,061	-	-	-	(10,924)	-	-	113,611	132,929
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
<b>OTHER COMPREHENSIVE INCOME</b>											
Gain(Loss) Quoted Investment	-	74,426	46,270	8,285	10,346	27,041	-	-	-	166,368	(150,540)
Gain(Loss) Unquoted Investment	-	-	-	-	-	-	-	-	-	-	(148,576)
Movement in Associates	-	82,572	(6,656)	-	-	-	(11,583)	-	-	64,333	
	-	156,998	39,614	8,285	10,346	27,041	(11,583)	-	-	230,701	(299,117)
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
<b>INVESTMENTS</b>										<b>Sep 09</b>	<b>March 09</b>
<b>Associates</b>											
Share of net assets	-	1,699,634	982,142	-	-	-	257,094	-	-	2,916,364	2,885,946
Unquoted investments - Fair value	977,758	-	23,901	-	-	150,846	-	60,323	-	1,212,828	1,212,828
Quoted Investments - Market value	-	416,786	1,814,22	30,120	565,600	193,339	-	-	-	3,020,068	2,035,043
	977,758	2,116,420	2,820,265	30,120	565,600	344,185	234,587	60,323	-	7,149,620	6,403,818
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

	GROUP		COMPANY		
	6 months to 30 Sept 2009 Shs'000	6 months to 30Sept 2008 Shs'000	6 months to 30 Sept 2009 Shs'000	6 months 30 Sept 2008 Shs'000	
3	INCOME				
	Dividends receivable	58,671	130,744	178,516	170,953
	Interest receivable	-	2,717	-	2,717
	Gain on disposal of investments	684	129,739	684	129,739
	Other income	3,872	17,906	3,872	17,906
		-----	-----	-----	-----
		63,527	281,106	183,072	321,315
		=====	=====	=====	=====
4	FINANCE COSTS				
	Interest on short term facilities	23,925	9,964	23,925	9,964
	LC and Guarantee Charges	-	527	-	527
	Commitment fees	500	1,875	500	1,875
	Exchange loss - realised	-	-	-	-
	Exchange (gain)/loss - unrealised	-	-	-	-
	Bond expenses	1,587	-	-	-
		-----	-----	-----	-----
		26,012	12,366	26,012	12,366
		=====	=====	=====	=====
5	PROFIT BEFORE TAXATION				
	The profit before taxation is arrived at after charging:				
	Directors' emoluments:				
	Non-executive - fees	2,215	1,954	2,215	1,954
	Auditors' remuneration (including VAT)				
	Prior year	707	902	707	902
	Depreciation	689	1,148	689	1,148
	Amortisation of leasehold land	310	310	310	310
	Amortisation of intangible assets	254	200	254	200
	Loss on disposal of equipment	-	-	-	-
	Staff costs (note 7)	32,399	24,447	32,399	24,447
	and after crediting:				
	Dividend income (gross) - quoted investments	(28,434)	(22,331)	(28,434)	(22,331)
	- unquoted investments	(30,236)	(108,413)	(30,236)	(108,413)
	- Associate investments	-	-	(119,845)	(40,210)
		=====	=====	=====	=====

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

		GROUP		COMPANY	
		6 months to 30 Sept 2009 Shs'000	6 months to 30Sept 2008 Shs'000	6 months to 30 Sept 2009 Shs'000	6 months to 30Sept 2008 Shs'000
6	TAXATION CHARGE				
	(a) Current taxation based on adjusted profit for the year at 30%	556	597	556	597
	Share of associate company taxation	39,909	49,620	-	-
		-----	-----	-----	-----
		40,465	50,127	556	597
		-----	-----	-----	-----
7	STAFF COSTS				
	Salaries	27,070	22,327	27,070	22,327
	National Social Security Fund contributions (NSSF)	18	16	18	16
	Retirement benefit scheme contributions	1,378	1,442	1,378	1,442
	Staff medical expenses	600	626	600	626
	Staff welfare and training expenses	1,849	1,195	1,849	1,195
	Leave pay provision	1,484	(1,159)	1,484	(1,159)
		-----	-----	-----	-----
		32,399	24,447	32,399	24,447
		=====	=====	=====	=====

## CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

## 8 MOTOR VEHICLE AND EQUIPMENT

## GROUP &amp; COMPANY

	Motor Vehicles and motor Cycles Shs'000	Furniture and fittings Shs'000	Computers Shs'000	Office equipment Shs'000	Total Shs'000
COST					
At 1 April 2008	5,881	5,976	3,125	1,715	16,697
Additions	147	-	705	707	1,559
Disposals	(5,881)	-	(1,080)	(60)	(7,021)
	-----	-----	-----	-----	-----
At 31 March 2009	147	5,976	2,750	2,362	11,235
	-----	-----	-----	-----	-----
At 1 April 2009	147	5,976	2,750	2,362	11,235
Additions	-	516	600	54	1,169
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 30 September 09	147	6,492	3,350	2,415	12,404
	-----	-----	-----	-----	-----
DEPRECIATION					
At 1 April 2008	4,900	3,876	2,663	1,108	12,547
Charge for the period	701	598	326	193	1,818
Eliminated on disposals	(5,577)	-	(929)	(52)	(6,558)
	-----	-----	-----	-----	-----
At 31 March 2009	24	4,474	2,060	1,249	7,807
	-----	-----	-----	-----	-----
At 1 April 2009	24	4,474	2,060	1,249	7,807
Charge for the period	15	308	248	119	690
Eliminated on disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 30 September 2009	39	4,782	2,308	1,368	8,497
	-----	-----	-----	-----	-----
NET BOOK VALUE					
At 30 SEPTEMBER 2009	108	1,710	1,042	1,048	3,908
	=====	=====	=====	=====	=====
At 31 March 2009	123	1,502	690	1,113	3,428
	=====	=====	=====	=====	=====



CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

9 PREPAID OPERATING LEASE RENTALS

GROUP AND COMPANY

	30 Sep 2009 Sh'000	31 March 2009 Sh'000
COST		
At 1 April and 31 March	59,487	59,487
	-----	-----
AMORTISATION		
At 1 April	22,927	22,307
Charge for the period/ year	310	620
	-----	-----
At 30 September	23,237	22,927
	-----	-----
NET BOOK VALUE		
At 30 September	36,250	36,560
	=====	=====

10 INTANGIBLE ASSETS

This mainly consists of computer software licenses

COST		
Opening cost	1,311	1,146
Additions	597	165
Disposals	-	-
	-----	-----
Closing Cost	1,908	1,311
	-----	-----
AMORTISATION		
Opening cost	865	447
Charge for the period/year	254	418
Eliminated on disposals	-	-
	-----	-----
Closing cost	1,119	865
	-----	-----
NET BOOK VALUE	789	446
	=====	=====

CENTM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

		COMPANY	
		2009	2008
		Shs'000	Shs'000
11	INVESTMENT IN SUBSIDIARY (UNQUOTED AT COST)		
	Kenya National Properties Limited (KNP) 100% owned	114,735	114,735
	Rasimu Limited (RL) 100% owned	100	-
		=====	=====
		114,835	4,735
		=====	=====

The principal activities of KNP are the ownership and development of property for rental purposes. The subsidiary did not trade during the period.

The principal activity of Rasimu Limited is investment.

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

12 INVESTMENT IN ASSOCIATES

	Number of shares held		% owned		GROUP		COMPANY	
	30.09.09	31.03.08	30.09.09	31.03.08	Share of net assets		At cost	
					30.09.09	31.03.09	30.09.09	31.03.08
					Shs'000	Shs'000	Shs'000	Shs'000
UNQUOTED								
Aon Minet Insurance Brokers Ltd	332,330	332,330	21.50	21.50	153,761	166,615	12,298	12,298
KWA Holdings Ltd	25,373,936	25,373,936	26.43	26.43	350,781	263,160	17,235	17,235
Mt Kenya Bottlers Ltd	1,250,695	1,250,695	27.80	27.80	215,302	208,810	10,006	10,006
Nairobi Bottlers Ltd	981,971	981,971	27.62	27.62	673,074	660,172	133,020	133,020
Rift Valley Bottlers Ltd	8,087,460	8,087,460	44.03	44.03	313,778	296,148	63,815	63,815
UAP Provincial Insurance Co Ltd	29,070,636	29,025,636	24.23	24.23	828,382	876,599	163,144	163,144
Kisii Bottlers Ltd	4,266,292	4,266,292	23.89	23.89	146,699	157,348	113,878	113,878
Longhorn Kenya Ltd	4,095,000	4,095,000	35.00	35.00	234,587	257,094	242,987	242,987
					-----	-----	-----	-----
					2,916,364	2,885,946	756,383	756,383
					=====	=====	=====	=====

During the period, the group acquired a 23% stake in Carbacid Investment Ltd. The investment has however not been classified as an associate as it does not fulfil the criteria of significant influence which is presumed where an investor holds more than 20% in an entity. The investment in Carbacid has been classified as available for sale.

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

13 UNQUOTED INVESTMENTS - Available for sale

GROUP AND COMPANY

	Number of shares at 01.04.09	Additions/ (disposals)/ in the year	Number of shares at 30.09.09	% owned	Cost at 01.04.09 Shs'000	Additions in the year Shs'000	Cost at 30.09.08 Shs'000	Valuation 30.09.09 Shs'000	Valuation 31.3.09 Shs'000
Capital Markets Challenge Fund Ltd	50,000	-	50,000	10.0	5,000	-	5,000	5,000	5,000
General Motors Kenya Ltd	279,300	-	279,300	17.8	184,536	-	184,536	977,758	977,758
NAS Airport Services Ltd	73,056	-	73,056	9.1	7,397	-	7,397	150,846	150,846
K-Rep Bank Limited	37,801	-	37,801	3.8	39,324	-	39,324	18,901	18,901
Rift Valley Railways (Pty) Ltd	1,500,000	-	1,500,000	10	331,494	-	331,494	60,323	60,323
					-----	-----	-----	-----	-----
Total					567,751	-	567,751	1,212,828	1,212,828
<b>OFFSHORE INVESTMENTS</b>									
Wildlife Works Inc (USA) preferred stock - net	52,632	-	55,632		19,713	-	19,713	-	-
					-----	-----	-----	-----	-----
Total					587,464	-	587,464	1,212,828	1,212,828
					=====	=====	=====	=====	=====

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

14. QUOTED INVESTMENTS – Available for sale

	01.04.09	Additions	Disposals	30.09.09	At 01.04.09 Shs '000'	Additions	Disposals	At 30.09.09	At 30.09.09 Shs '000'	At 31.03.09 Shs '000'
<b>QUOTED INVESTMENTS</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>'000'</b>	<b>-</b>	<b>Shs '000'</b>	<b>Shs'000'</b>	<b>Shs '000'</b>	<b>Shs '000'</b>
Athi River Mining Ltd	124,000	-	-	124,000	11,633	-	-	11,633	11,904	8,060
Barclays Bank of Kenya Ltd.	1,111,565	-	-	1,111,565	87,262	-	-	87,262	48,631	44,740
Bamburi Cement Ltd	35,000	-	-	35,000	1,593	-	-	1,593	5,600	4,165
British American Tobacco Kenya Ltd	68,600	-	-	68,600	13,306	-	-	13,306	12,005	9,535
Carbacid Investment Company Ltd	92,059	2,561,458	-	2,653,517	3,291	418,796	-	422,087	433,850	12,612
CMC Holdings Ltd	24,060	-	-	24,060	558	-	-	558	241	314
East African Breweries Ltd	2,977,043	-	-	2,977,043	63,299	-	-	63,298	416,786	342,360
Eveready Batteries (Kenya) Ltd	8,429,452	-	-	8,419,023	1,596	-	-	1,596	21,916	26,099
Equity Bank Ltd	-	9,396,900	(3,778,200)	5,618,700	-	150,157	(62,365)	87,792	78,381	-
	79,233,44									
Kenya Commercial Bank Ltd	4	-	-	79,233,444	640,895	-	-	640,895	1,626,315	1,566,816
Kenya Airways Ltd	1,462,876	-	-	1,462,876	160,945	-	-	160,945	29,258	28,892
Kenya Electricity Generating Company Ltd	141,992	-	-	141,992	5,182	-	-	5,182	1,633	1,796
Kenya Oil Company Ltd	391,600	-	-	391,600	40,845	-	-	40,846	19,188	17,622
The Kenya Power & Lighting Company Ltd	471,169	-	-	471,169	91,355	-	-	91,355	57,482	53,242
Kenya Re-insurance Corporation Ltd	2,188,215	-	-	2,188,215	38,187	-	-	38,187	21,992	26,040
Mumias Sugar Company Ltd	3,860,688	-	-	3,860,688	64,619	-	-	64,619	26,445	17,759
Nation Media Group Ltd	131,428	-	-	131,428	2,172	-	-	2,172	15,508	16,823
Rea Vipingo Plantations Ltd.	296,500	-	-	296,500	7,519	-	-	7,519	3,291	3,855
	40,089,70									
Safaricom Limited	0	-	-	40,089,700	234,613	-	-	234,613	148,331	120,269
Sasini Tea & Coffee Ltd	400	-	-	400	273.19	-	-	273.19	2	2
Standard Chartered Bank Ltd	-	273,000	-	273,00	-	42,069	-	38,220		
Unilever Tea Kenya Ltd	-	-	-	-	-	-	-	-	-	-
Williamson Tea Kenya Ltd	4,675	-	-	4,675	1,308	-	-	1,308	381	220
					1,470,178	611,121	(63,365)	1,470,178	3,017,361	2,301,221
<b>REGIONAL INVESTMENTS</b>										
British American Tobacco Uganda Ltd	140,000	-	-	140,000	7,000	-	-	7,000	2,023	3,327
Stanbic Uganda Ltd	109,500	-	-	109,500	312	-	-	312	684	496
<b>TOTAL INVESTMENTS</b>					<b>916,679</b>	<b>611,121</b>	<b>(62,365)</b>	<b>916,679</b>	<b>3,020,068</b>	<b>2,305,043</b>

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

		<b>GROUP</b>		<b>COMPANY</b>	
		30 Sept 2009 Shs'000	31 March 2009 Shs'000	30 Sept 2009 Shs'000	31 March 2009 Shs'000
15	DUE FROM A RELATED PARTY				
	Rasimu Limited	-	-	418,696	-
		=====	=====	=====	=====
16	RECEIVABLES AND PREPAYMENTS				
	Dividends receivable	39,858	90,943	68,694	147,470
	Sundry receivables and prepayments	3,928	2,796	3,928	2,796
		-----	-----	-----	-----
		43,786	93,749	72,622	150,266
		=====	=====	=====	=====
17	SHARE CAPITAL				
	<b>GROUP AND COMPANY</b>				
	Authorised:				
	800,000,000 Ordinary shares of Shs 0.50 each		400,000	400,000	
			=====	=====	
	Issued and fully paid:				
	549,951,830 ordinary shares of Shs 0.50 each		274,976	274,976	
			=====	=====	

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

		<b>GROUP</b>		<b>COMPANY</b>	
		30 Sept 2009 Shs'000	31 March 2009 Shs'000	30 Sept 2009 Shs'000	31 March 2009 Shs'000
18	<b>PAYABLES AND ACCRUALS</b>				
	Sundry payables and accruals	80,651	8,909	80,651	8,850
	Leave pay provision	2,637	1,153	2,637	1,153
		-----	-----	-----	-----
		83,288	10,062	83,288	10,001
		=====	=====	=====	=====
	Included in payables is an amount held on account of an available for sale investment transaction.				
19	<b>DUE TO A RELATED PARTY</b>				
	Kenya National Properties Ltd (KNP)	-	-	284,541	284,603
		=====	=====	=====	=====

20 **BORROWINGS**

As at 30 September 2009 the group had undrawn borrowing facilities amounting to Kshs. 212 million ((March 09 -Kshs. 330m). The overdraft balance as at year end was Kshs 488 million (31 March 09 - 170 million).

CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

	30 Sept 2009 Shs'000	30 Sept 2008 Shs'000
21	NOTES TO THE CASH FLOW STATEMENT	
(a)	Reconciliation of profit before tax to cash generated from operations	
	Profit before tax	113,640
		406,753
	Adjustments for:	
	Depreciation	689
		1,148
	Amortisation of intangible assets	254
		200
	Amortisation of leasehold land	310
		310
	Loss/ (Gain) on disposal of equipment	(21)
	Gain on disposal of quoted investments	(684)
		(129,739)
	Share of profits from associated companies	(153,520)
		(182,549)
	Unrealised forex gains	
	-----	-----
	Operating (loss)/profit before working capital changes:	(39,311)
		79,862
	Decrease in treasury bonds	-
		-
	Decrease/ (increase) in receivables and prepayments	49,963
		92,359
	Movement in amount due/from to parent company	100
		-
	Decrease/ (increase) in payables and accruals	73,227
		(20,118)
	-----	-----
	Cash generated from operations	83,979
	=====	152,022
	=====	=====
(b)	Analysis of balances of cash and cash equivalents	
	Bank balances	4,870
		79,697
	Overdrafts	(488,062)
		(199,521)
	-----	-----
	(483,192)	(119,825)
	=====	=====
	=====	=====

For the purposes of the cash flow statement, cash equivalents include short term liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity at the balance sheet date and borrowings.



CENTUM INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009

22 COUNTRY OF INCORPORATION

The company is incorporated and domiciled in Kenya under the Companies Act.

23 CURRENCY

The financial statements are presented in Kenya Shillings thousands (Shs'000).