GROUP UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2012

AccessKenya GROUP

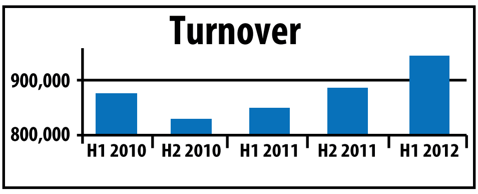
Key Highlights

The Group has improved its performance on key metrics in comparison to 2011 as highlighted below:

1. Total revenues have increased by 10.4% in H1 2012 compared to H1 2011 and by 6% compared to H2 2011. The Group broke the 5,000 corporate leased line mark in Q2 and now has over 5,100 corporate leased lines.
2. Gross margin amount has increased by 10.5% to 754m in H1 2012 compared to same period last year despite the adverse impact of emergency bandwidth purchases to mitigate the two TEAMS cable cuts.
3. EBITDA has risen by 10% to 338m in H1 2012 from 308m in H1 2011.
4. Profit after tax has risen by 10.5% to 68m in H1 2012 from 62m in the same period last year.
5. Cash generated from operations for H1 2012 was 103% of 2011 full year and over seven fold that of the same period last year
6. Net total debt to equity gearing ratio improved to 60% as at 30 June 2012 from 79% as at 31 December 2011. Net debt decreased by shs 172m to 696m as at 30 June 2012 from 868m as at 31 December 2011 despite significant ongoing capex investment

Revenue Growth

Half year revenues have consistently grown since H2 2010 despite the erosion of the average revenue per user (ARPU). The effect of the increase in the number of leased lines more than offsets the adverse impact of ARPU decline.



Other Key Economic Variables

Administrative Expenses recorded a modest growth over the same period last year in spite of the high inflation during the period due to continued careful cost management. The H1 2012 administrative expenses remain at a similar level to H2 2011.

Depreciation and Amortisation expenses rose modestly as a result of the group investing in our metro fibre and national networks. The H1 2012 depreciation and amortization remain at a similar level to H2 2011.

Financing Expenses increased significantly due to the high interest rates experienced during the period. The Group is expected to benefit from the continued repayment of the loans and expected decrease in the interest rates in the second half.

The deliberate action to convert substantially all the foreign denominated loans and payables into Kenya shilling has paid off with **foreign exchange loss** declining to shs 1m in H1 2012.

Outlook

Continued high demand for data services is expected to drive ongoing revenue growth.

Signed: Jonathan Somen, Managing Director

Daniel Ndonye, Chairman

Income Statement	H1, 2012	H1, 2011	2011 Full year
	Shs '000	Shs '000	Shs '000
Turnover	940,862	852,029	1,738,915
Cost of Sales	(186,384)	(169,162)	(357,483)
Gross Margin	**754,478**	**682,867**	**1,381,432**
Administration Expenses	(416,482)	(375,332)	(790,361)
EBITDA	**337,996**	**307,535**	**591,071**
Depreciation & Amortisation	(163,753)	(147,708)	(307,565)
Financing Costs	(85,153)	(54,848)	(123,724)
Profit before tax and Exchange gain/ (loss)	**89,090**	**104,979**	**159,782**
Exchange Gain/(loss)	(1,210)	(28,444)	(36,523)
Profit before Tax	**87,880**	**76,535**	**123,259**
Taxation	(19,696)	(14,820)	(21,795)
Profit After Tax	**68,184**	**61,715**	**101,464**
EPS	0.31	0.28	0.50

Statement of Financial Position	30 Jun 2012	31 Dec 2011
Capital & Reserves attributable to the Company's Equity Holders	**Shs '000**	**Shs '000**
Share capital	218,038	207,656
Share premium	513,255	513,255
Retained earnings	432,893	375,091
Total equity and reserves	**1,164,186**	**1,096,002**
Non current liabilities		
Deferred taxation liability	20,352	16,063
Borrowings	526,811	644,904
	547,163	**660,967**
Total Equity, Reserves & Non-current liabilities	**1,711,349**	**1,756,969**
Non-current assets		
Equipment	1,416,689	1,404,733
Intangible assets	315,198	333,187
Goodwill on consolidation	138,683	138,683
Deferred taxation asset	-	10,436
Receivable from ESOP	45,000	45,000
Other investment- at cost	91	91
	1,915,661	**1,932,130**
Current assets		
Inventories	72,298	71,394
Trade receivables	93,065	158,860
Prepayments & other receivables	84,739	145,708
Tax recoverable	51,363	51,025
Bank and cash balances	25,344	55,994
	326,809	**482,981**
Current Liabilities		
Bank overdraft	-	92,272
Borrowings - Current portion	194,981	186,857
Trade & other payables	329,161	371,980
Dividends payable	6,979	7,033
	531,121	**658,142**
Net current assets	**(204,312)**	**(175,161)**
Total assets	**1,711,349**	**1,756,969**
Gearing Ratio	**60%**	**79%**

Condensed Statement of cash Flow	H1 2012	H1 2011
	Shs '000	Shs '000
Earnings Before Interest,Tax, Depreciation & Amortisation	337,997	307,535
Net Interest expense	(85,153)	(54,848)
Exchange loss	(1,210)	(28,444)
Working Capital Movements	82,720	(180,970)
Tax Paid	(4,961)	(744)
Operating Cash Flow	**329,393**	**42,529**
Investing Cash Flow	(157,748)	(166,111)
Financing Cash Flow	(110,023)	103,364
Net Increase/ (decrease) in cash and cash equivalents	**61,622**	**(20,218)**
Opening Cash	(36,278)	(134,015)
Closing Cash	**25,344**	**(154,233)**

Consolidated Statement of Changes in Equity	Share Capital	Share Premium	Retained Earnings	Fair Value Reserve on ESOP	Total Equity
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
As at 1 January 2011	207,227	547,489	266,007	7,620	1,028,343
Profit for the year	-	-	109,084	-	109,084
Other comprehensive income	-	-	-	(7,620)	(7,620)
Change in amortised cost of ESOP receivable	-	(42,806)	-	-	(42,806)
Put option settlement for Access IT Limited	429	8,572	-	-	9,001
At end of year 31 December 2011	**207,656**	**513,255**	**375,091**	**-**	**1,096,002**
As at 1 January 2012	207,656	513,255	375,091	-	1,096,002
Profit for H1 2012	-	-	68,184	-	68,184
Bonus Share issue	10,382	-	(10,382)	-	-
As at 30 June 2012	**218,038**	**513,255**	**432,893**	**-**	**1,164,186**