

Analysts Briefing

30th November 2015



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- 1 Performance Overview
- 2 Portfolio Overview






Our Vision

“To be Africa’s foremost investment channel”

Our Mission

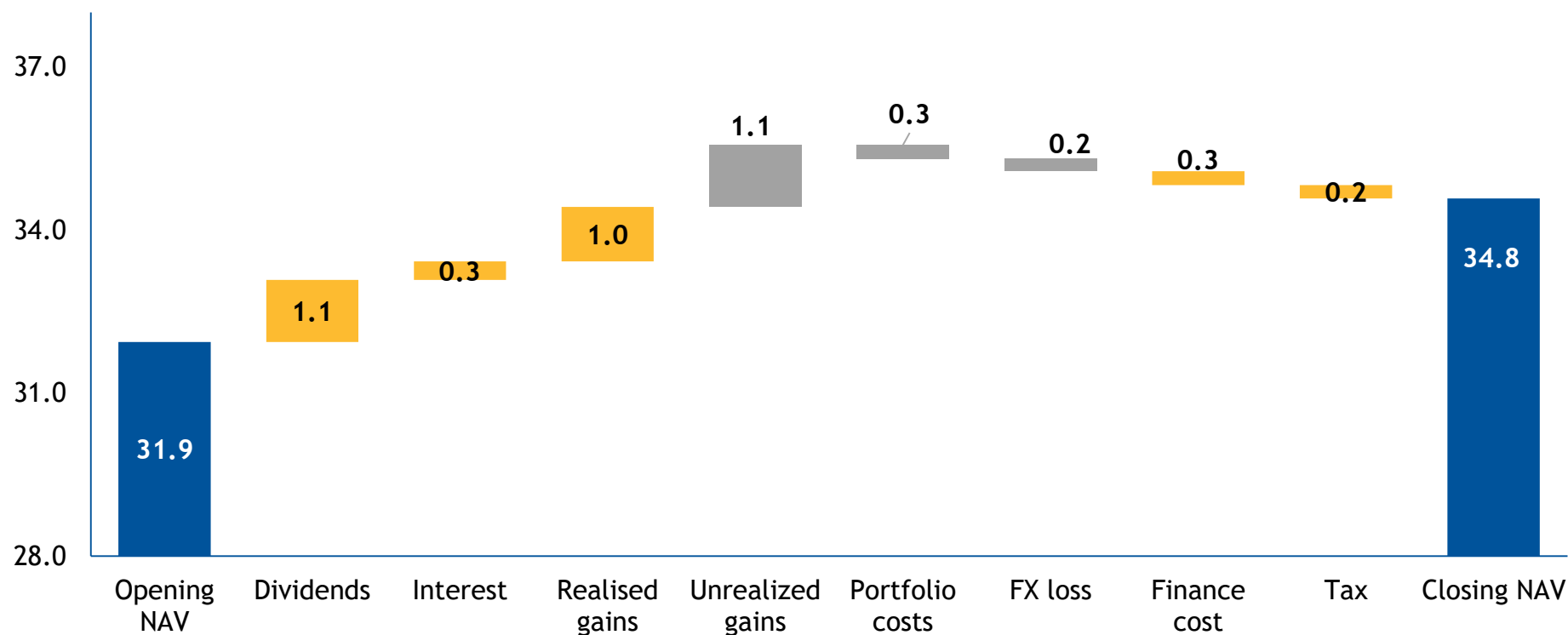
“To create real tangible wealth by providing the channel through which investors access and build extraordinary enterprises in Africa”

Progress Against Centum 3.0 Strategy

	Strategic Objectives	Performance in HY 2016
1 RETURN	 <p>Generate 35%+ annualized return over the strategic period and consistently outperform the market.</p>	Generated a return of 9% in HY 2016 and outperformed the NSE 20 index by 20%.
2 FOCUS	 <p>Develop, scale and grow investment capabilities in 8 sectors: (i) Real Estate, (ii) Energy, (iii) Financial Services, (iv) FMCG (v) Agriculture, (vi) Education, (vii) Health and (viii) ICT</p>	<p>We are active in 4 sectors: (i) Real Estate, (ii) Energy, (iii) Financial Services and (iv) FMCG (ii) Launching flagship agribusiness, education & healthcare projects.</p>
3 SCALE	 <p>Grow Centum's total assets to KES 120Bn [USD 1.2 Bn] by 2019 Total AUMs including third party AUMs to KES 720Bn [USD 7.2 Bn]</p>	<ul style="list-style-type: none"> • Total Assets currently at KES. 46.1 Bn [USD 461 Mn] from KES. 41.2 Bn at March 2015. • Total AUMs including third party AUMs currently at KES 194 Bn [USD 1.94 Bn]
4 BRAND	 <p>Develop teams with sector expertise Build a track record of project development in targeted sectors</p>	Focused on enhancing sector specific expertise
5 COSTS	 <p>Maintain Costs below 2.00% of total assets</p>	Cost efficiency at 0.54%

Company Net Asset Value (NAV)

Year-on-year increase in total portfolio income attributable mainly to dividend income, realised gains and unrealised value gains on the portfolio



NAV = Shareholder Funds = Total Assets less Total Liabilities

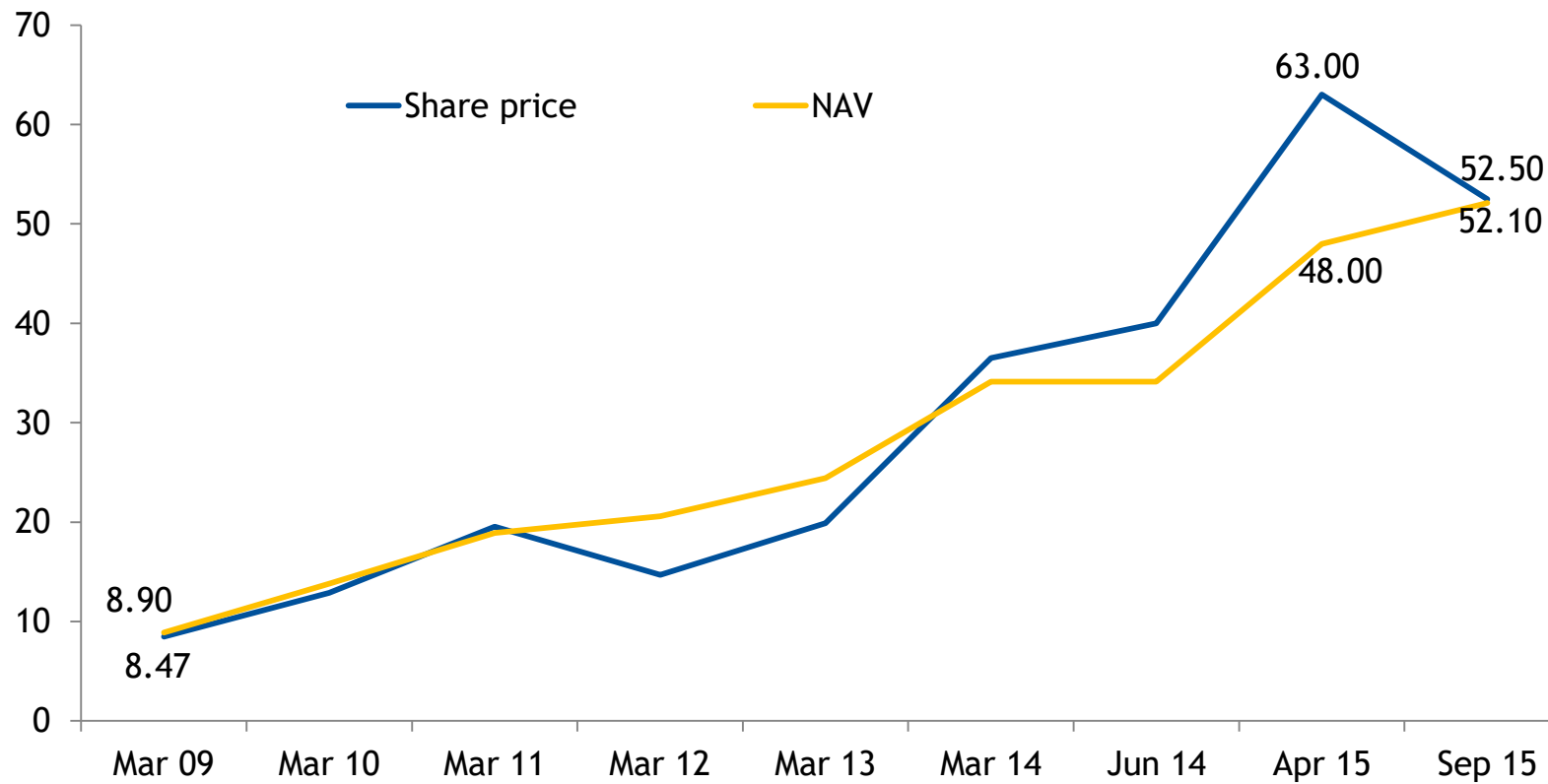
NAV Per Share

Consistently outperformed the market both in local currency & USD terms.

KES					USD				
Year	Total Return KES Mn	Centum NAV Return (KES)	NSE 20 Return	Centum Out Perf.	Year	Total Return USD Mn	Centum NAV Return (USD)	MSCI FM Africa	Centum Out Perf.
2010	3,298	56%	43%	13%	2010	43	39%	31%	9%
2011	3,395	37%	(4%)	41%	2011	41	21%	(3%)	24%
2012	1,133	9%	(13%)	22%	2012	14	9%	(14%)	23%
2013	2,451	19%	44%	(26%)	2013	29	13%	39%	-26%
2014	6,800	42%	2%	40%	2014	79	29%	(1%)	30%
2015	9,009	39%	8%	31%	2015	97	23%	(18%)	41%
HY 2016	2,730	9%	(20%)	29%	HY 2016	27	(2%)	(9%)	7%
Geo. Mean		30%	6%	24%	Geo. Mean		19%	4%	15%
Cumm. Return		550%	52%	498%	Cumm. Return		215%	12%	203%

NAV Per Share & Share Price

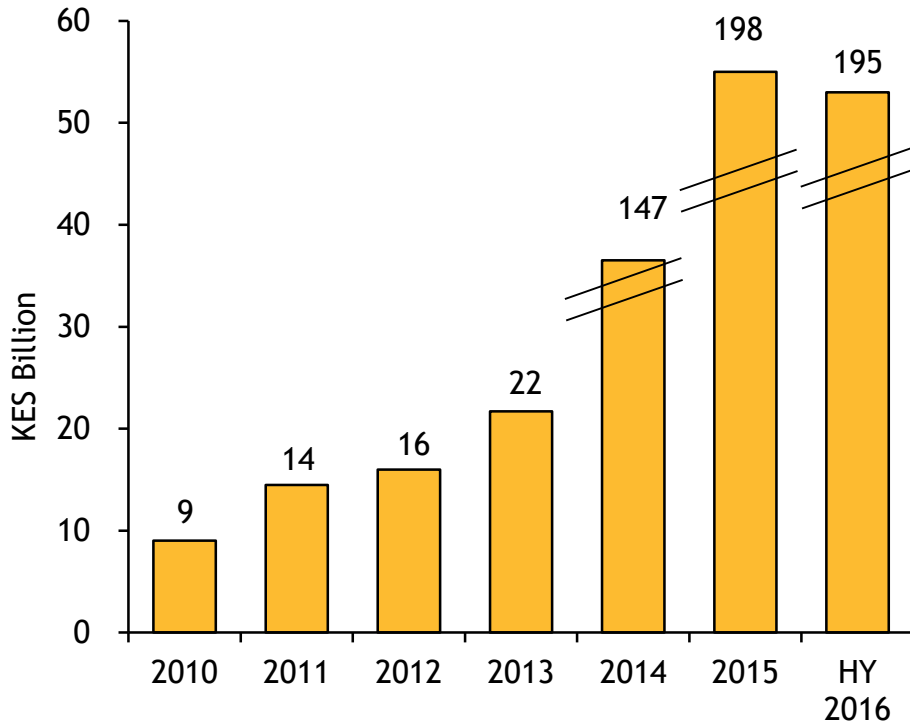
Our focus is to preserve and grow the value of shareholder funds, through different market cycles.



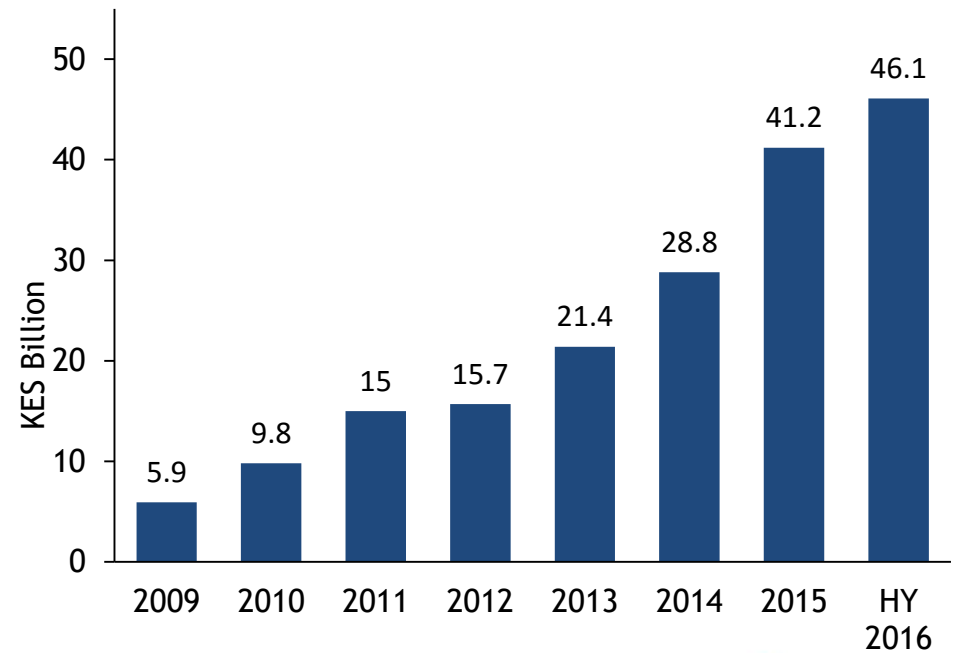
Scale

Company Assets grew by KES 5.0 Bn.
Total Assets Under Management stood at KES 195 Bn

Total Assets Under Management



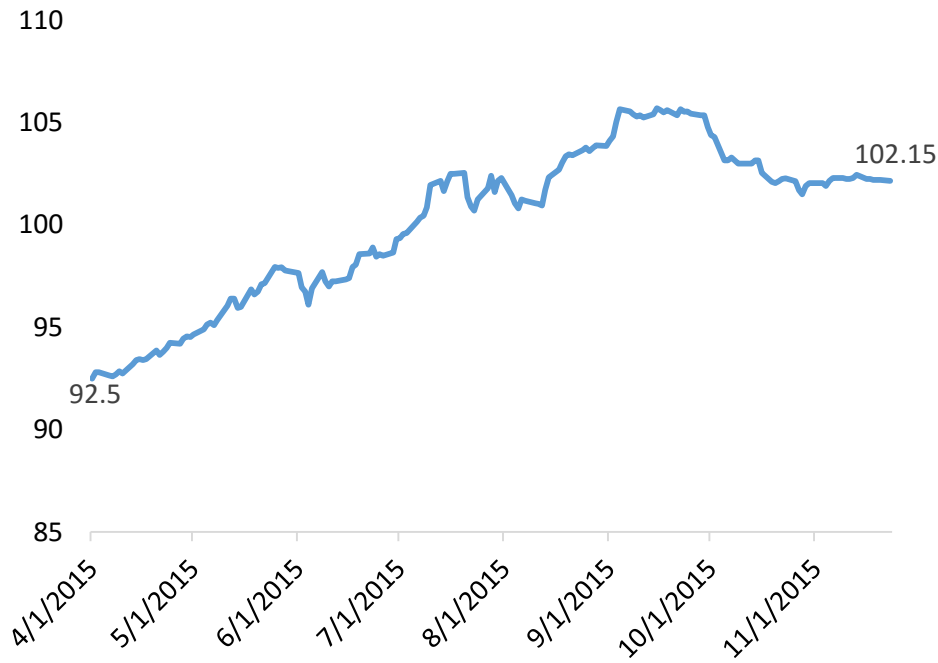
Total Company Assets



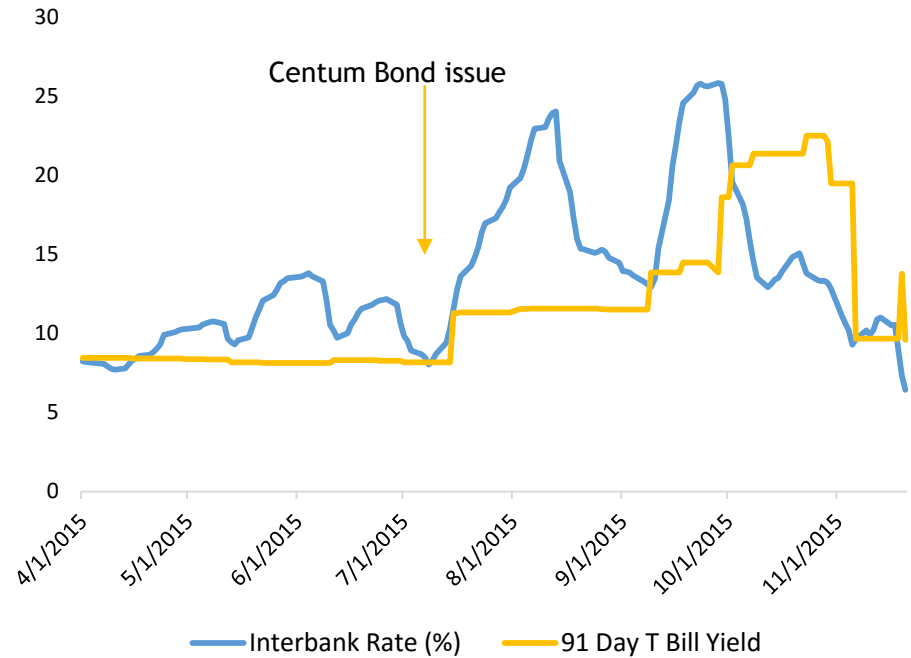
Macro Environment

Volatility in interest rates and a depreciating currency have been key themes

USD KES



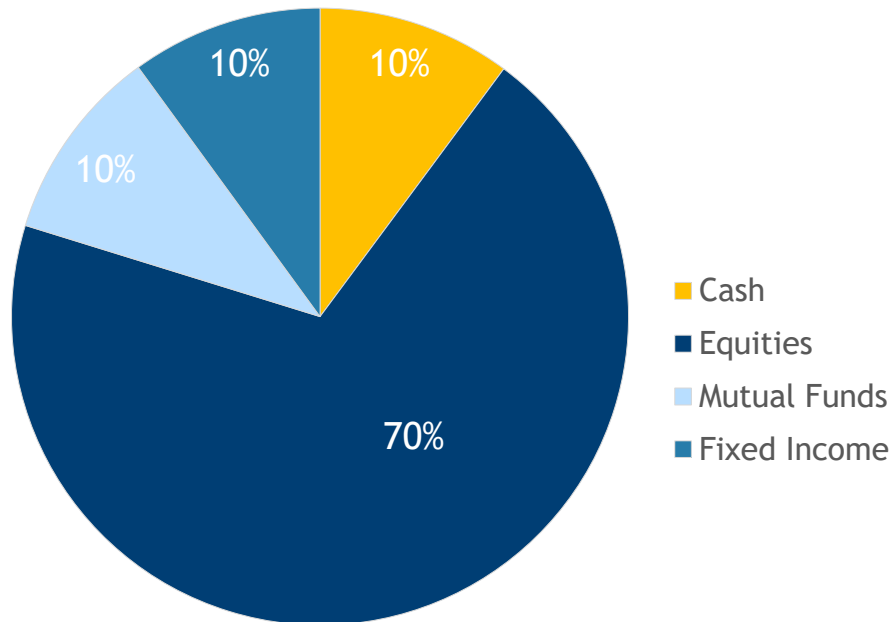
Key Interest Rate Indicators



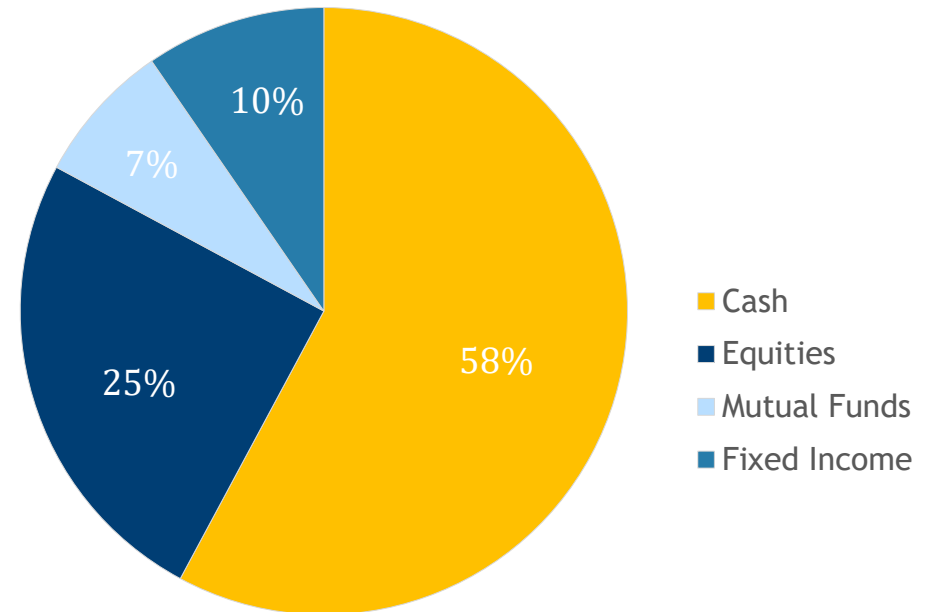
Marketable Securities Portfolio Re-Allocation

Proactive shift to cash and fixed income to take advantage of the high interest rate environment, while also positioning to re-enter the market at attractive prices.

31st Mar 2015



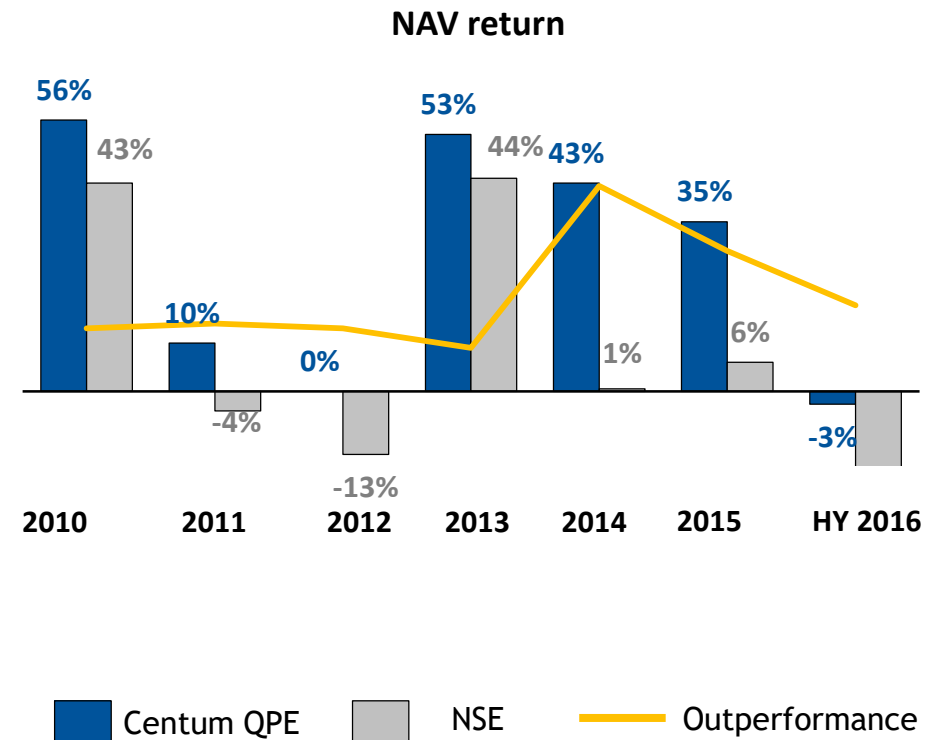
30th Sep 2015



Marketable Securities Portfolio Performance

MSP strategy continues to outperform the NSE 20 Index and has delivered an average outperformance of 21% over the last 6.5 years

Year	MSP Return	NSE 20 Return	Centum Outperformance
2010	56%	43%	13%
2011	10%	-4%	14%
2012	0%	-13%	13%
2013	53%	44%	9%
2014	43%	1%	42%
2015	35%	6%	29%
2016 HY	-3%	-20%	17%
Geometric Average	31%	10%	21%



Liabilities

Centum secured competitively priced fixed rate debt & retired short term dollar denominated debt

	Sep 2015	Mar 2015
Bond I - Fixed Rate 13.50% and equity-linked notes 12.75%	4,252	4,252
Bond II - Fixed Rate 13.00% and equity-linked notes 12.50%	6,096	-
USD 35 Million Bridge Financing Facility	-	3,317
Total Borrowings	10,348	7,569
Cash	3,230	3,673
Net Debt (Total debt less cash)	7,118	3,896
Gearing	21%	12%

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Company Statement of Comprehensive Income

124% increase in PAT driven by growth in Income

Kes. M	HY2016	HY2015	Variance
Dividend Income	1,142	1,030	11%
Interest Income	296	136	118%
Other Income	3	4	-25%
Realized gains	999	54	1750%
Total Income	2,440	1,223	100%
Portfolio Costs	(256)	(247)	4%
Finance Costs	(593)	(389)	52%
FX loss	(227)	-	100%
Profit Before Tax	1,364	587	132%
Tax	(51)	0	100%
Profit After Tax	1,313	587	124%
Other Comprehensive Income	1,416	3,816	-63%
Total Comprehensive Income	2,730	4,403	-38%

Company Statement of Financial Position

15% increase in total assets, driven by performance of the underlying portfolio

Assets

Kes. M	HY 2016	FY 2015
Investment in Subsidiaries	28,159	22,269
Associates & JVs	6,612	8,826
Unquoted investments	6,339	5,969
Quoted investments	242	406
Other assets	1,611	185
Cash	3,230	3,673
Total Assets	46,194	41,328

Liabilities & Shareholder Capital

Kes. M	HY 2016	FY 2015
Borrowings	10,348	7,569
Other liabilities	100	666
Deferred tax liability	1,077	880
Current tax liability	-	274
Total Liabilities	11,525	9,327
Shareholder funds	34,669	31,939
Equity & liabilities	46,194	41,328

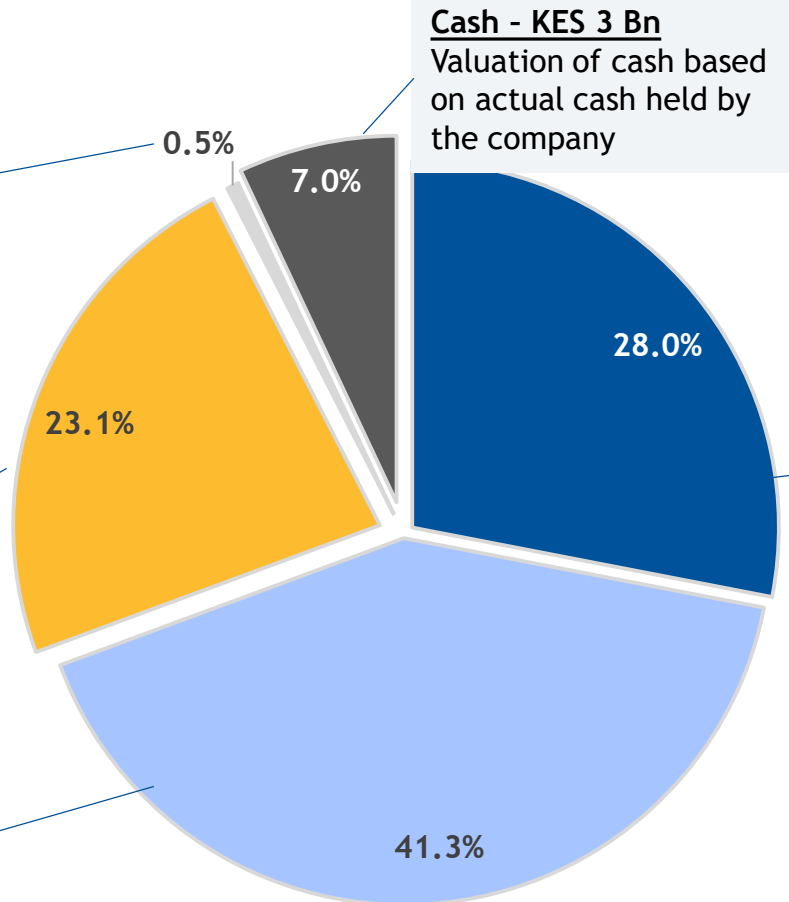
Portfolio Valuation

Our portfolio is held at conservative valuations

Market Price - KES 0.2 Bn
Valuation of investments is done on the basis of market prices on the stock market. This valuation basis has been applied for all listed securities.

Cost - KES 11 Bn
Valuation of investments is maintained at cost. This valuation basis has been applied for early stage opportunities

Net Asset Value- KES 19 Bn
Valuation of investments is done based on share of shareholder funds. This valuation basis has been applied mostly for subsidiaries including Two Rivers

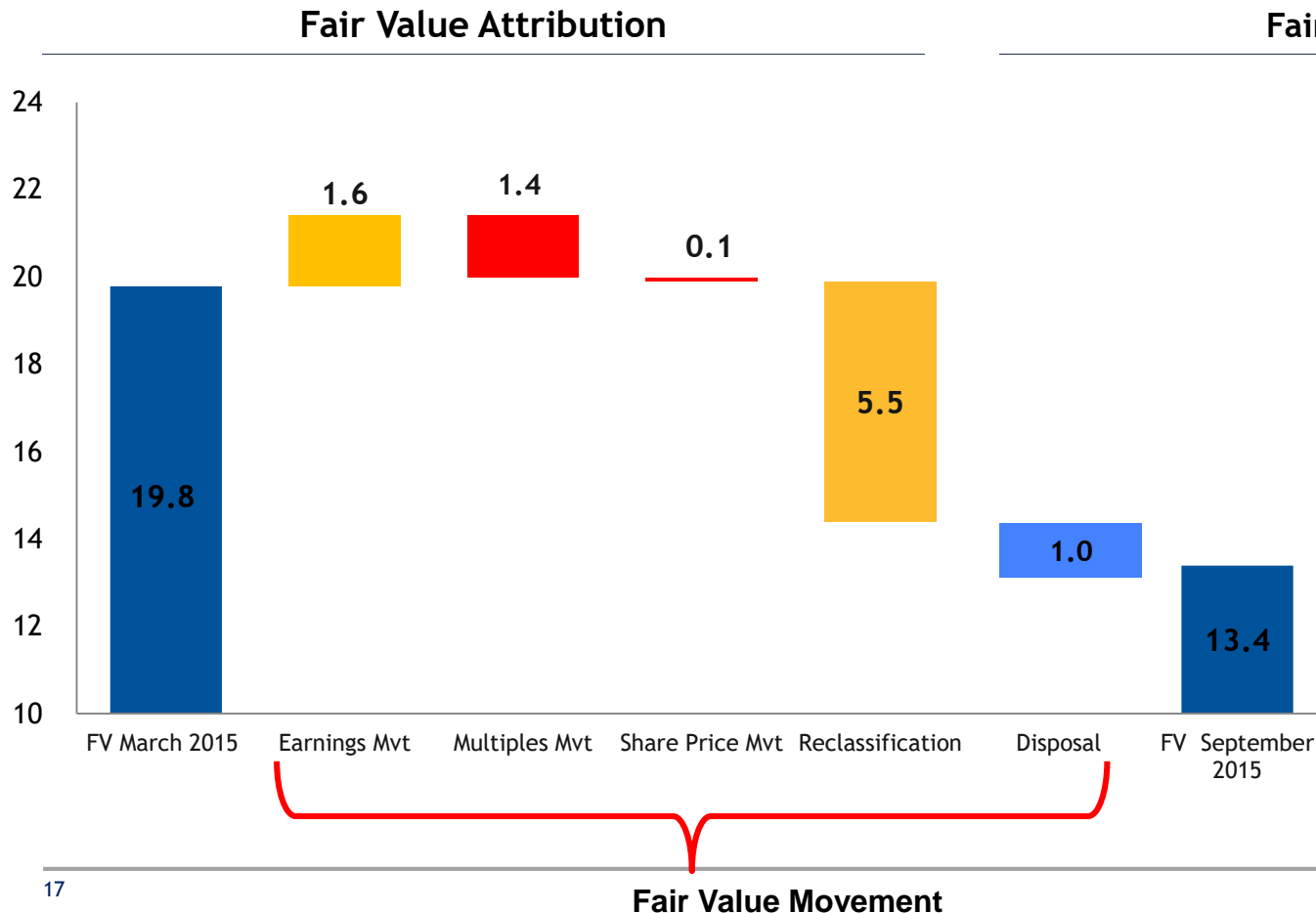


Cash - KES 3 Bn
Valuation of cash based on actual cash held by the company

Fair Value - KES 13 Bn
Valuation of investments done with reference to market multiples of comparable listed companies. Mostly applied for private equity investments

Fair Value Movement Attribution

The fair value movement attributable to earnings was an upward movement of KES 1.6 Billion but after adjusting the multiples to the current multiples there was a drop of 1.4 Billion.

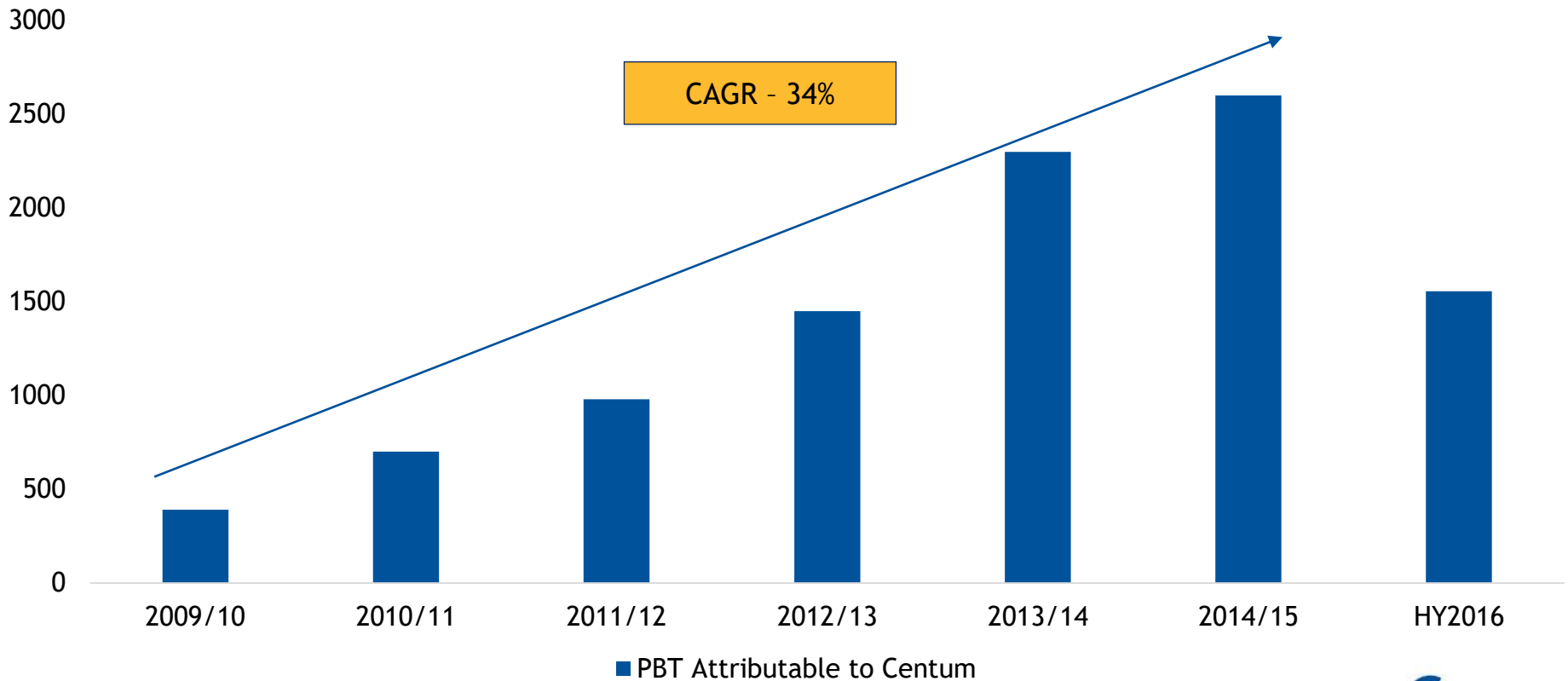


Fair Value Attribution

- So as to reflect the reality of the market Centum has adjusted the multiples used in its valuations.
- This led to a drop in valuation of 1.4 Billion vs a gain of KES 1.6 Billion had the multiples been similar.
- This underlines the fact that the PE portfolio continues to perform well fundamentally and the robustness of the valuation despite a fall in the peer multiples highlights this.

Profitability of underlying portfolio companies

Our share of the Profit before tax of portfolio companies has grown at an average rate of 34%



Total Return Contribution Per Sector

Sector Return	HY2016	FY2015
Financial Services	379	2,183
FMCG	(1,154)	3,205
Energy	(74)	(25)
Real Estate	3,431	(731)
MSP	(215)	1,149
Others	363	3,220
Total Return	2,730	9,002

Consolidated Statement of Comprehensive Income

55% increase in PAT driven by increase in Income

Kes. M	HY2016	HY2015	Variance
Dividend Income	327	489	-33%
Interest Income	1,350	83	1527%
Fund Management Income	267	337	-21%
Realized Gains	1,734	1,017	71%
Fees & Commissions	669	-	100%
Other Income	249	8	3013%
Unrealized Gains on Bonds	(17)	(37)	-54%
Sale of Goods - Beverages	3,805	-	100%
Total Income	8,384	1,897	342%
Cost of Sales - Beverages	(2,812)	-	100%
Portfolio Costs	(2,257)	(677)	233%
Finance Costs	(1,261)	(262)	381%
Share of Associate Profit	192	327	-41%
Profit Before Tax	2,246	1,285	75%
Tax	(339)	(55)	516%
Profit After Tax	1,907	1,230	55%
Other Comprehensive Income	(1,115)	2,062	-154%
Total Comprehensive Income	792	3,291	-76%

Group Statement of Financial Position

9% growth in Total Assets

Assets

Kes. M	HY 2016	FY 2015
Investment property	21,111	17,775
Associates & JVs	3,618	3,745
Unquoted assets	9,659	8,548
Quoted assets	1,466	2,979
Loans and advances	12,050	11,061
ELN Asset	4,332	4,928
Bonds & gov't securities	3,977	3,427
Other assets	14,837	10,871
Cash & cash equiv.	6,564	9,006
Total Assets	77,613	72,340

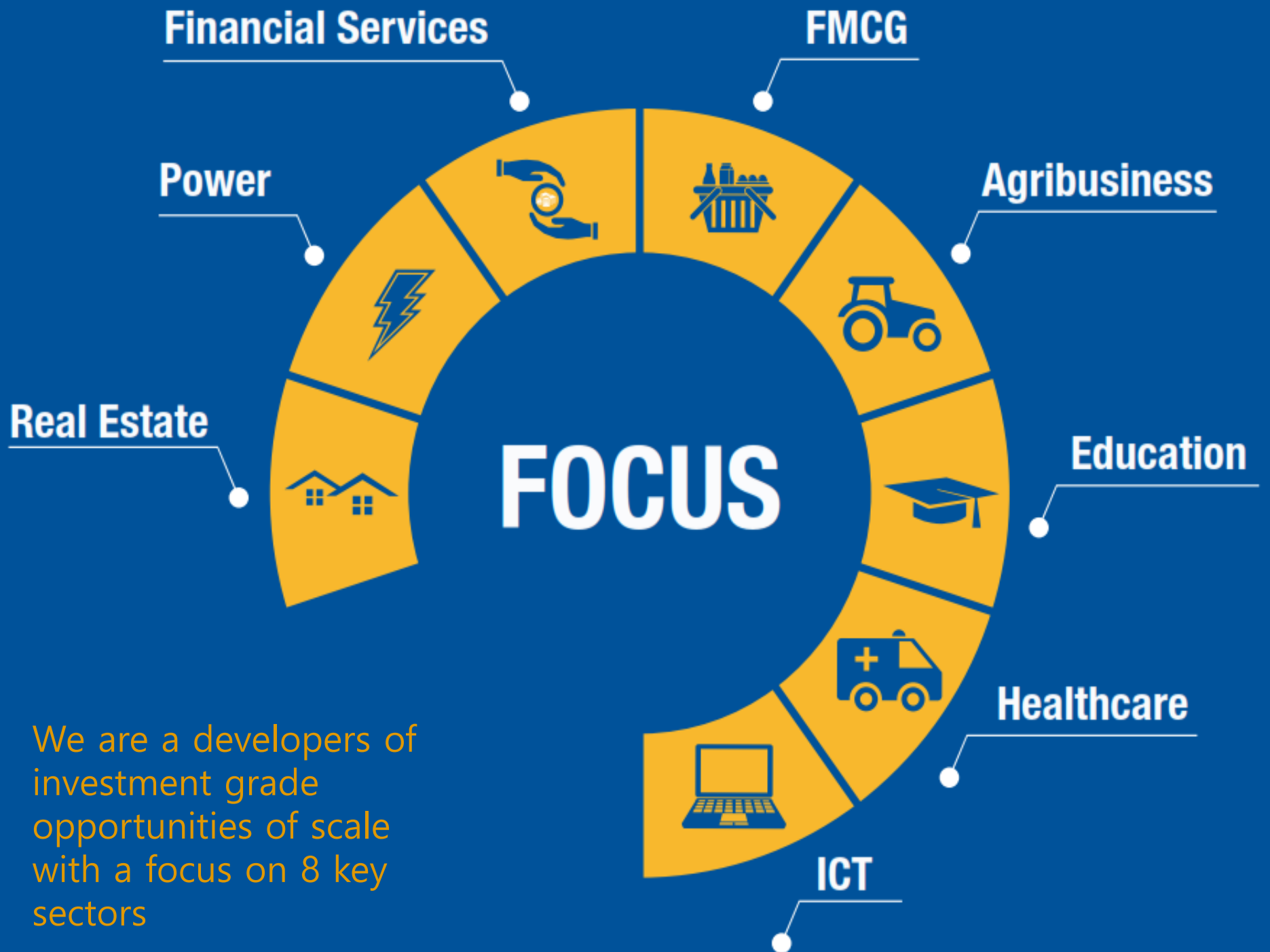
Liabilities & Shareholder Capital

Kes. M	HY 2016	FY 2015
Customer deposits	10,600	12,401
Borrowings	17,653	9,983
ELN Liability	4,332	4,928
Other liabilities	5,505	6,473
Total Liabilities	38,090	33,785
Shareholder funds	39,523	38,555
Equity & liabilities	77,613	72,340

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1 Performance Overview

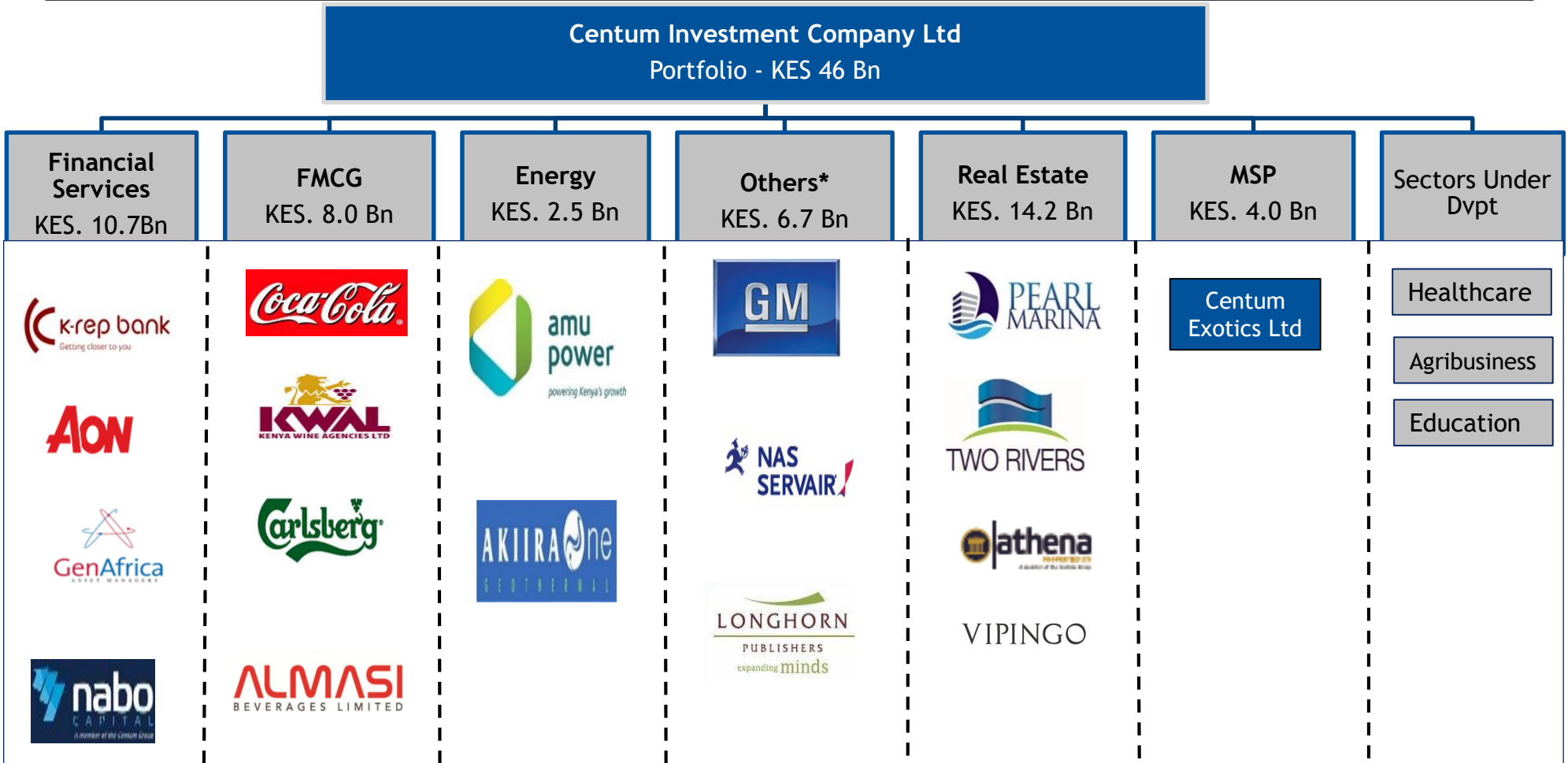
2 Portfolio Overview



We are a developers of investment grade opportunities of scale with a focus on 8 key sectors

Portfolio as at HY 2016

We have created a track record of deal sourcing, value addition and value realization



*As at 30th Sep

Financial Services

K-Rep Bank

Centum acquired a controlling stake of 65% in K-rep Bank for KES 2.3 Bn. Making it the first operational investment company to have a bank as a subsidiary

HY 2016 Key performance metrics of the Bank

Return on Assets (%)	3.0%
Return on Equity (%)	20.0%
Total Assets (KES Bn)	18
Profit Before Tax (KES Mn)	402

Key activities

- A rights issue was approved and Centum has already invested KES1.2 Bn. This will provide the bank with much needed capital to fund growth & future investment.
- New management & Board of Directors is in place.
- On going rebranding and upgrade of ICT Systems is on going.
- The Bank is profitable and the goal is to position the bank for growth into a Tier II lender by 2019.

Financial Services



AON

Centum entered into an agreement to sell its stake in AON Insurance Brokers



- Centum entered into an agreement to sell its stake in AON Insurance Brokers. Centum has received all approvals and is awaiting Competition Authority approval.
- The sale of Centum's stake in AON is in line with our strategic objective of focusing on being developers of investment grade assets of scale.

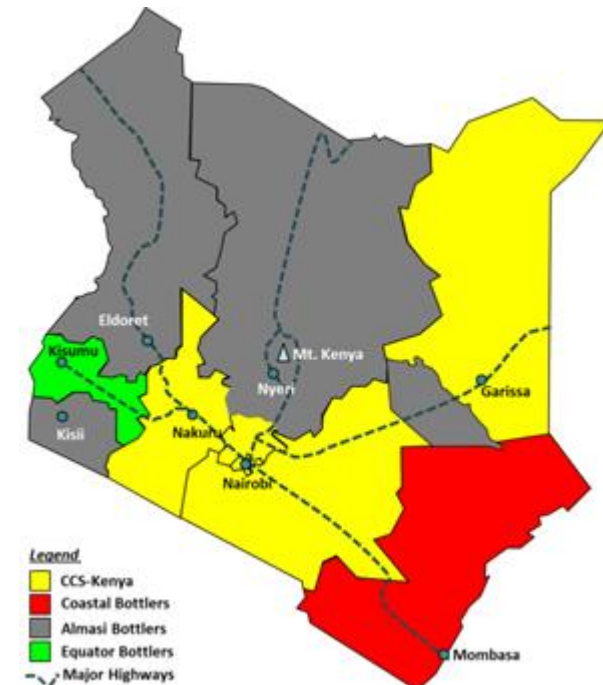
Almasi Beverages Ltd

The business is currently investing & implementing new capacity measures to enhance its output and efficiency

Fact Sheet

- Centum acquired a controlling stake in the company in 2015 and has a stake of 50.95%
- Almasi's market share is 29% of the carbonated soft drinks consumed in Kenya. And is the fastest growing bottle in the country.
- Additional investment to increase capacity through the commissioning of a new RGB line. The line will have a capacity of 38,000 bottles per hour. Almasi has also added a PET Line that will be commissioned in Q1 2016.
- The growth of the soft drink market in sub Saharan Africa has outpaced global growth maintaining double digit growth.

Almasi Territory



Others

GMEA has grown its market share in new vehicle sales to 31% up from 26% in the nine months ended September 2015

CORPORATE NEWS
NEWS | REVIEWS | ANALYSIS

General Motors revs up market share to 31pc on jump in new vehicle sales

COMPETITION Firm overtakes Toyota, which was ranked country's largest dealer last year

BY VICTOR JUMA

General Motors East Africa (GMEA) raised its market share to a new high of 31 per cent in the first nine months of the year as the overall new vehicle market posted a 15.6 per cent jump in sales.

The motor dealer's gains were driven by increased sales and market share losses by some of its top rivals including Toyota Kenya and DT Doble.

Total sales in the industry stood at 15,101 units in the period compared to 13,060 units a year earlier, according to statistics from the Kenya Motor Industry Association (KMI).

GMEA, which sells Isuzu

increased demand from public infrastructure works and SMEs.

"We continue to benefit from projects like the standard gauge railway and small businesses that are buying more commercial vehicles to take advantage of the boom in various sectors," said Ms Kavashe.

Toyota's reduced market share reflect its drop in sales from 3,785 units to 3,285 units. Toyota last year benefited from tenders that saw it supply the police service more than 1,000 vehicles.

Simba Corporation, which sells Mitsubishi trucks and BMW cars, saw its market share rise to 18 per cent from 17 per cent as its sales increased to 2,675 units from 2,249 units.

“ We expect to see a slowdown in demand from this quarter ”

RITA KAVESHE, CHIEF EXECUTIVE, GENERAL MOTORS EAST AFRICA



SOURCE: KMI



- GMEA, which sells Isuzu and Chevrolet brands, grew its market share to 31% on the back of increased sales.
- This has seen the company being ranked as the country's largest dealer in the nine months ended September 30th.
- We are also looking to enhance synergies by leveraging on various portfolio companies that require fleets.

Real Estate: Two Rivers

A new urban node that will be a development on 100 acres



- Phase 1 of the development includes the retail and lifestyle centre & the infrastructure.
- The mall is set for completion in December 2015 and with a target to open in March 2016.
- 190 shops of the 220 this represents 86% of the total shops in the mall.
- The tenants of the mall have begun taking possession of their various shops, and beginning fit outs in preparation for the opening.

Two Rivers Lifestyle Update: Vision



Two Rivers Lifestyle Update



Pearl Marina

A mixed use development with 1.3 Km of lake frontage in Garuga, Uganda.



- The development will be set out on 385 Acres.
- Phase 1 of the Project is designed on 41 acres of the land and development of 97 units.
- Currently 4 show houses, the infrastructure works, gatehouse, jetty & recreational areas are under construction, due for completion in 2016.

Vipingo

Centum acquired 11,794 acres of land in Vipingo, Kilifi County.



- The vision of the proposed Vipingo development is to develop a city will become a sought after destination to do business in East African and beyond.
- The City will provide a mix of residential, manufacturing, logistics, sports& recreation zones.
- Currently in the process of completing the transaction and master planning of the development is also on going.

Amu Power



This will be the largest private sector funded infrastructure project in EA .

The plant will be at the top of the economic merit dispatch order as the lower cost producing IPP.

Update on Amu Power

Project development is at fairly advanced stage with drafts of key documents being completed.

Key Item	Status
PPA	Initiated by KPLC and approved by the Energy Regulatory Commission (“ERC”) for formal execution.
ESIA	Being updated with Lenders comments before they are sent to NEMA
O&M Contract	Term sheet signed, initiated negotiation of final agreement
Fuel-Supply Agreement	Draft being reviewed by lenders.
EPC Contract	Initialed and agreed with EPC contractor. Currently being reviewed by lenders before being executed.
Land Lease	Land identified and approved for use by local county. Resettlement action plan being driven by NLC to determine settlement terms.
Financing Documents	Currently being drafted. Term sheet executed in November 2014.

Energy

Akiira 1 Geothermal



At 70 MW, the Geothermal project will be the first private sector funded greenfield geothermal development in Sub-Saharan Africa.

Akiira 1 Geothermal - Update



- Well 1 drilled to a distance 2,840M striking steam. Testing is on-going on the well.
- The second well is currently being drilled.
- CSR activities for the surrounding community also on going: Library books, provision of clean water and education sponsorship for the local community.



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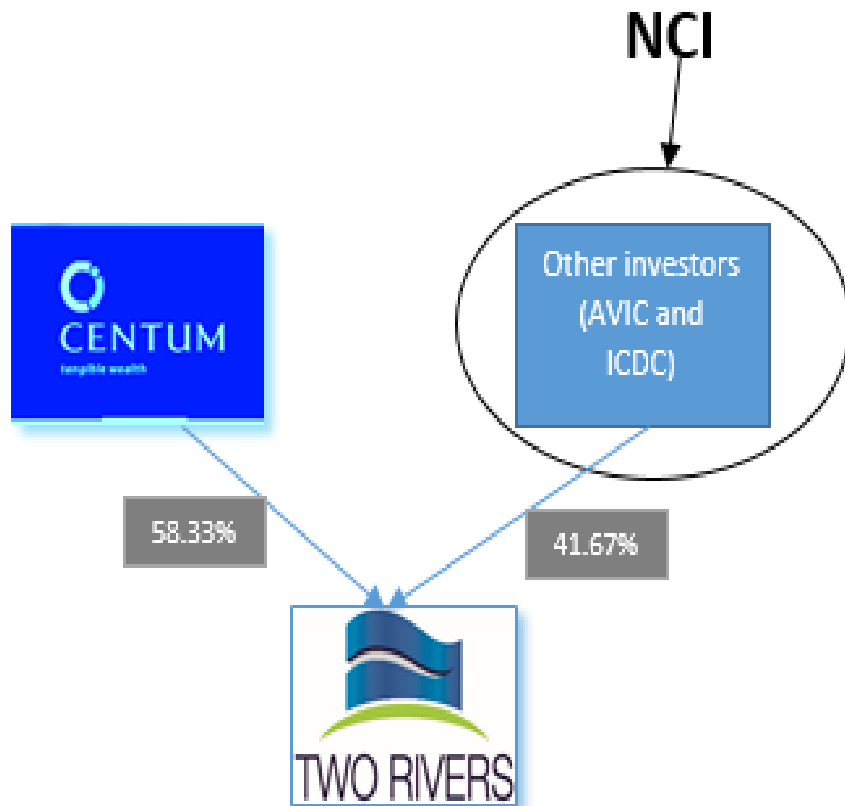
Performance against Key Metrics

Positive NAV returns and Growth in Assets

Kes. M	FY2009	FY 2010	FY 2011	FY2012	FY 2013	FY 2014	FY2015	HY2016
Scale & Return								
Total Assets	5,930	9,840	15,004	15,721	21,407	28,811	41,328	46,194
Market Capitalization	5,637	8,579	13,009	9,800	13,242	24,289	42,300	34,600
NAV (Kes. M)	5,859	9.157	12,552	13,685	16,137	22,936	31,939	34,669
Total Return (Kes. m)	(2,980)	3,297	3,395	1,133	2,451	6,800	9,003	2,730
Total return (%)	(37)%	56%	37%	9%	18%	42%	39%	9%
NAV per Share (KES)	8.9	13.8	18.9	20.6	24.3	34.5	48.0	52.1
Cost Efficiency	1.9%	2.1%	2.0%	1.6%	2.3%	1.5%	2.1%	0.5%
Net Debt	-	-	1,988	678	2,647	4,649	3,896	7,118
Debt-to-equity	-	-	16%	7%	20%	23%	12%	21%

Consolidation and Non-Controlling Interests

Example of NCI involvement



Non Controlling Interests (NCI)

Consolidated financial statements

In preparing consolidated financial statements:

- Combine line by line items of income, expenses, assets and liabilities of a company and all its subsidiaries.
- Eliminate intergroup transactions and balances.
- Recognized in the SOCI profits attributable to NCIs and in SOFP net assets attributable to NCIs

Bond Performance - ELN

ELN Performance-Sept 2015	Bond I (2012)	Bond II (2015)
Plain Vanilla notes (Kes Bn)	4.00	2.10
ELN value (Kes Bn)	1.25	3.90
Total Bond (Kes Bn)	4.25	6.00
ELN Coupon	12.75%	12.50%
Initial Net Asset Value (Kes Bn)*	13.69	26.95
NAV growth target to realize max upside		
NAV at 31st October 2015 (Kes Bn)	34.67	34.67
NAV growth	153%	29%
Variable ELN return realized	15%	7%