

IMPORTANT NOTICE

PROFIT WARNING ANNOUNCEMENT

As required by the Capital Markets Authority and the Nairobi Securities Exchange regulations, TransCentury Limited (“TransCentury” or “Group”) would like to announce that the projected profit for the Group for the year ending 31 December 2014 may be more than 25% lower compared to the earnings of the prior year owing to a fair value loss realised from the sale of the company’s 34% stake in Rift Valley Railways (“RVR”). The impact of the RVR transaction has been reflected as a post balance sheet event in the Group’s audited results of 2013.

The Group, through its wholly owned subsidiary, Safari Rail Company Limited, disposed of its entire 34% shareholding in KU Railways Holdings Limited, the lead investor in RVR to Africa Railways Limited, a core subsidiary of Citadel Capital on 31st March 2014 by exercising a PUT Option. The decision was made owing to the delayed turnaround of RVR, which meant that this investment failed to meet return targets set by the company.

As a result, the Group realised USD 43.7m (KES 3.8Bn) from the sale, which saw it recover its entire cash investment in RVR. However, the sale proceeds were below the historical fair value of the investment. The cash realised from the disposal of RVR will be redeployed towards other higher return investment opportunities that will improve both the financial position and future profitability of the Group.

The Directors, at this time, expect both the Power and Engineering Divisions to remain profitable although overall group earnings will be impacted by the fair value loss at RVR.

By order of the Board of Directors

16th April 2014