

CAUTIONARY ANNOUNCEMENT

ARM CEMENT LIMITED

The Capital Markets Act
Chapter 485A of the Laws of Kenya
Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 (as amended)

PROPOSED INVESTMENT IN ARM CEMENT LIMITED

ARM CEMENT LIMITED (the “Company”) hereby notifies its shareholders and the general public that it is now in advanced discussions with an international institutional investor (the “Investor”) in respect of an equity investment of USD 140 million by the Investor by way of subscribing for ordinary shares in the Company (the “Investment”).

At least USD 110 million of the Investment will be utilized to retire existing debt of the Company, and the balance of the Investment will be utilized for the Company’s capital expenditure and funding existing and new cement businesses.

The Company and the Investor are currently negotiating the final terms and documentation for the Investment, which will be subject to several conditions, including, but not limited to, final internal approvals of the Investor and regulatory and shareholder approvals.

The Company estimates that the transaction agreements will be finalized and executed by 15th April 2016, and a shareholders circular detailing the Investment will be circulated to shareholders by 30th April 2016. Subject to receiving shareholder and regulatory approvals, the Company anticipates that the Investment will be completed in June 2016.

The Board and Management of the Company believe that the Investment would, if made, strengthen the financial position of the Company as it executes its regional growth plans.

The shareholders of the Company and the public are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

Company Secretary

Date: 29th March 2016

DISCLAIMER:

This announcement is for informational purposes only and is not intended to constitute, and may not be construed as, a public offering. It has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2002 as amended. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of the statements appearing in this announcement.



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