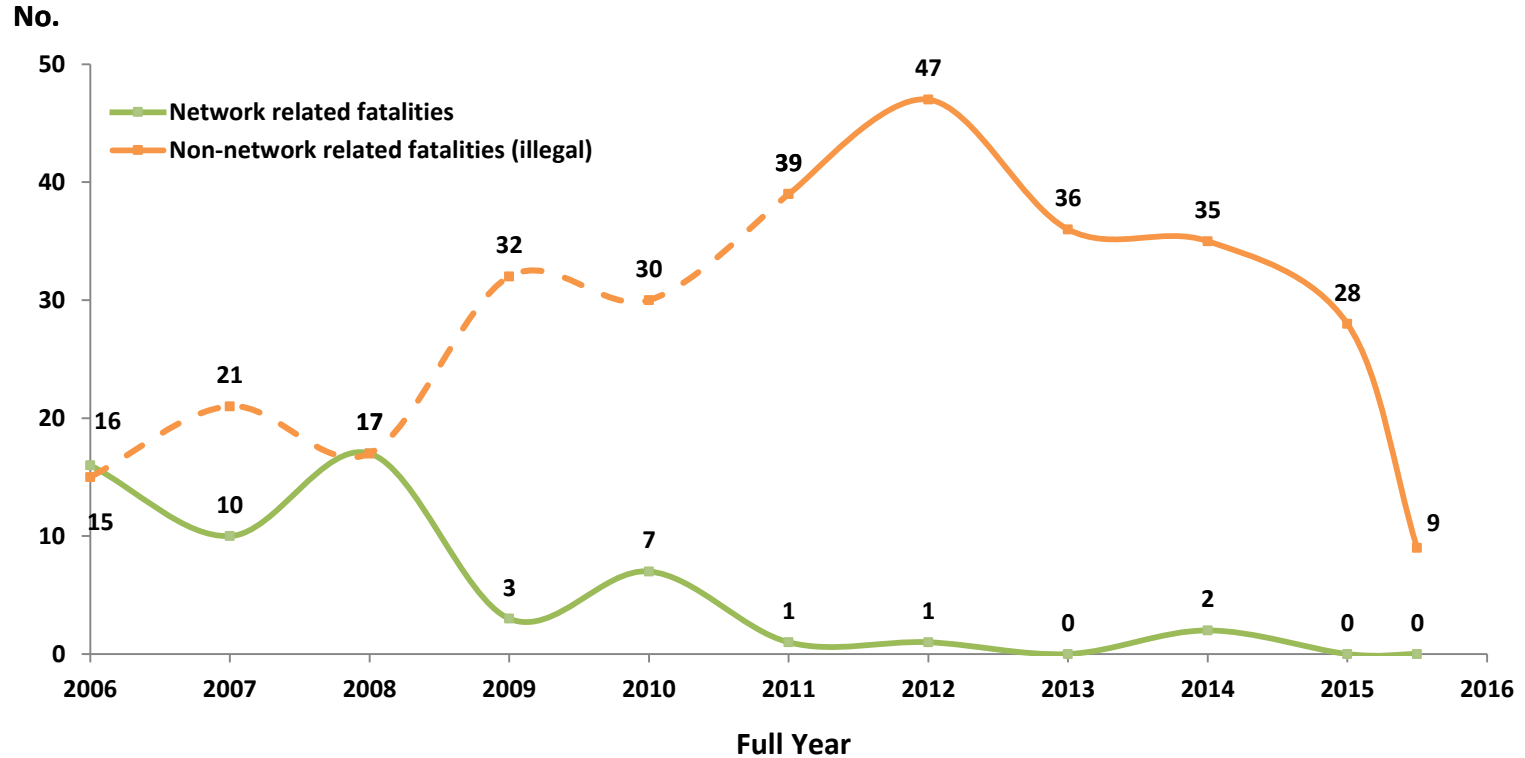




**UMEME**  
Powering Uganda

## Umeme H1 2016 Results Presentation 6<sup>th</sup> September 2016

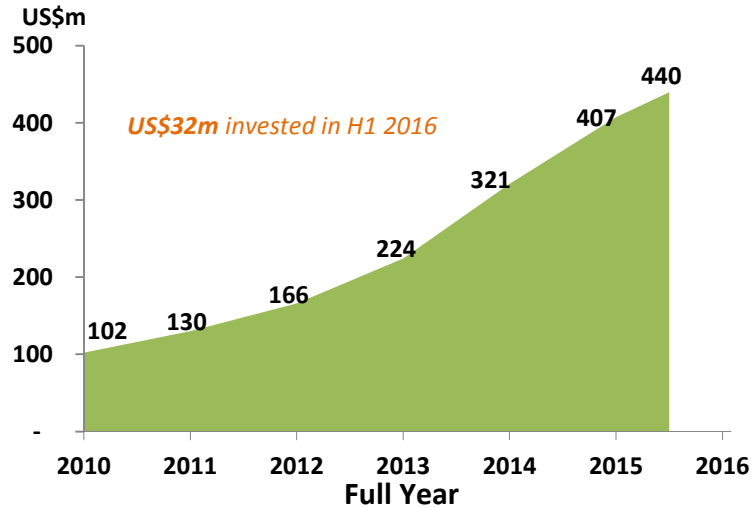
# Safety: Zero network related fatalities in H1



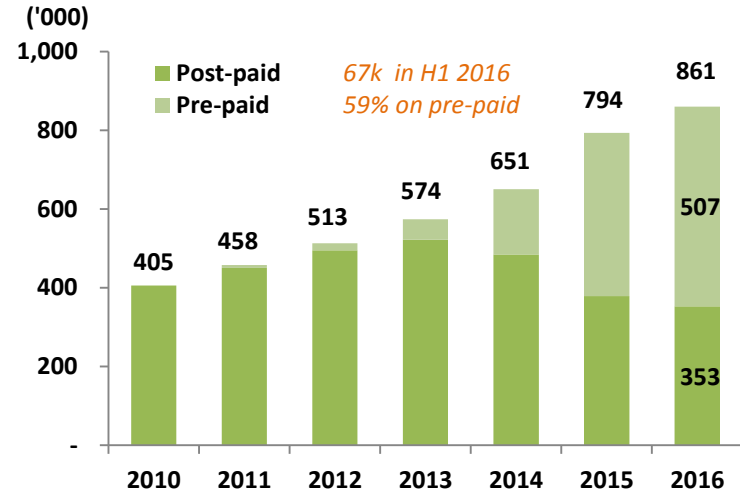
*Non-network fatalities incl. power theft, domestic electrics, network interference, way-leaves encroachment and unauthorized operations*

# Investing in service & growth

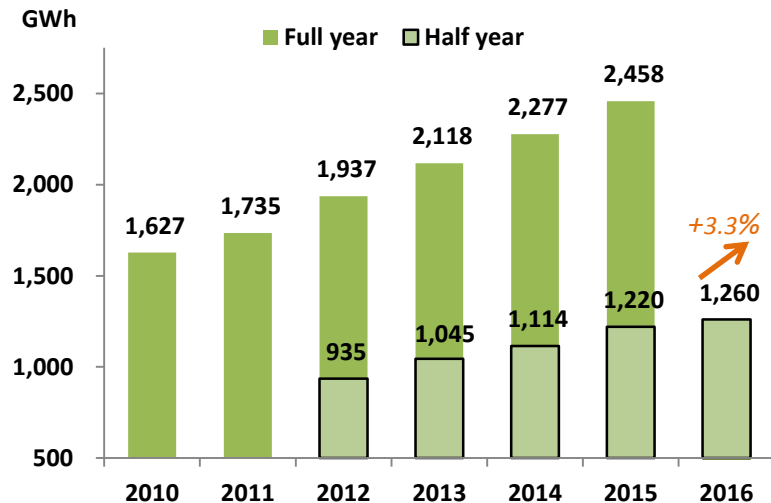
## Capital Investment (Cumulative)



## Customer numbers +21% in LTM



## Sales (GWh)

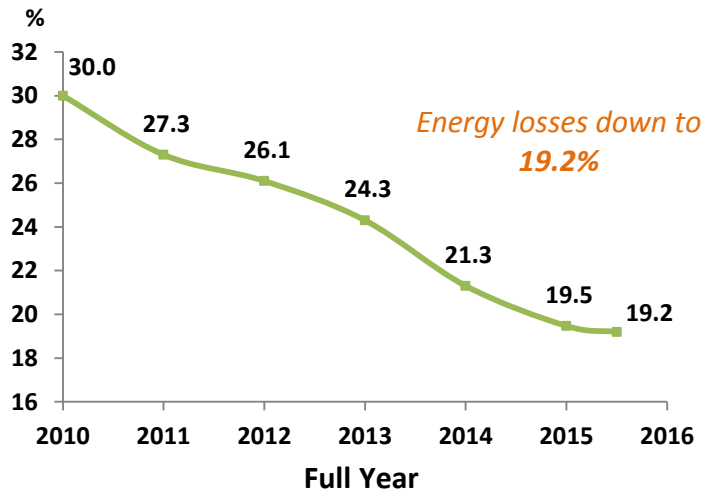


## Customers & Sales Growth

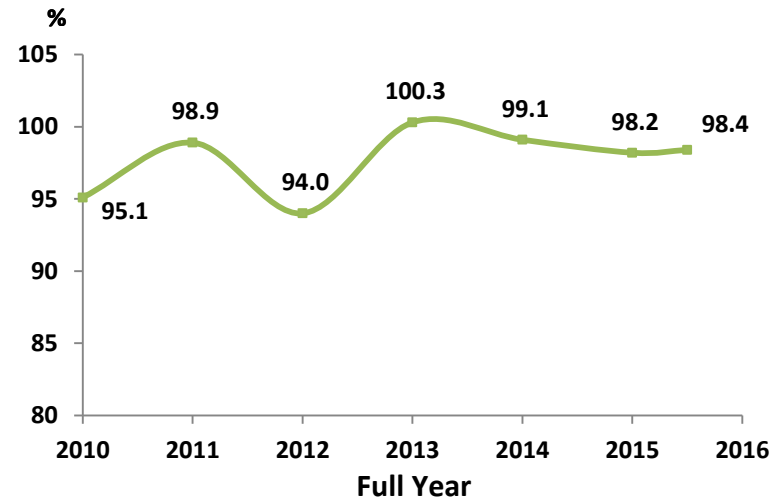
Category	Customers			Sales		
	No.	Share	Growth	GWh	Share	Growth
Domestic	785,308	91.3%	+21.0%	287	22.7%	-1.2%
Commercial	71,969	8.4%	+17.0%	158	12.5%	+3.8%
Street Lighting	304	0.0%	-6.2%	0.7	0.1%	-14.9%
Industrial - Medium	2,459	0.3%	+4.5%	209	16.6%	+4.1%
Industrial - Large	523	0.1%	+6.3%	607	48.1%	+5.2%
<b>Total</b>	<b>860,563</b>	<b>100%</b>	<b>+20.6%</b>	<b>1,260</b>	<b>100%</b>	<b>+3.3%</b>

# Regulatory targets

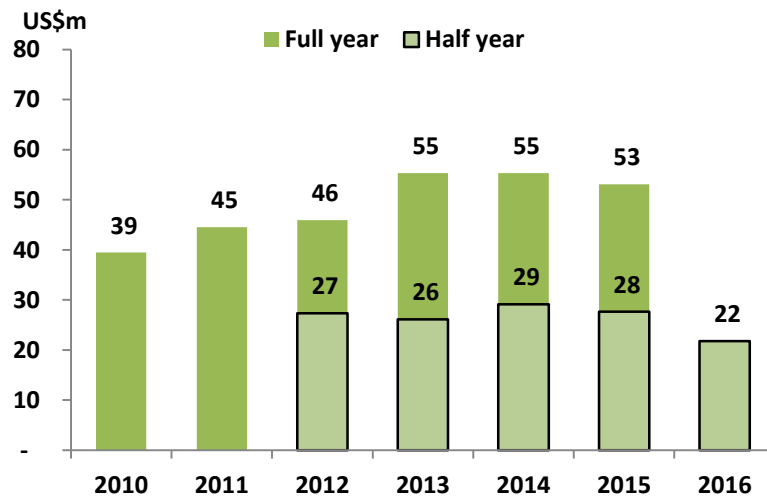
## Energy losses



## Revenue collection



## Operating costs



## Agreed regulatory targets\*

Tariff parameter	'13	'14	'15	'16	'17	'18
Energy losses (%)	23.5	20.5	18.6	17.1	15.9	14.9
Collection rate (%)	97.3	97.5	97.7	97.9	98.2	98.5
Operating allowance (US\$m)**	Nominal 43.8	44.5	45.9	47.4	48.9	50.4

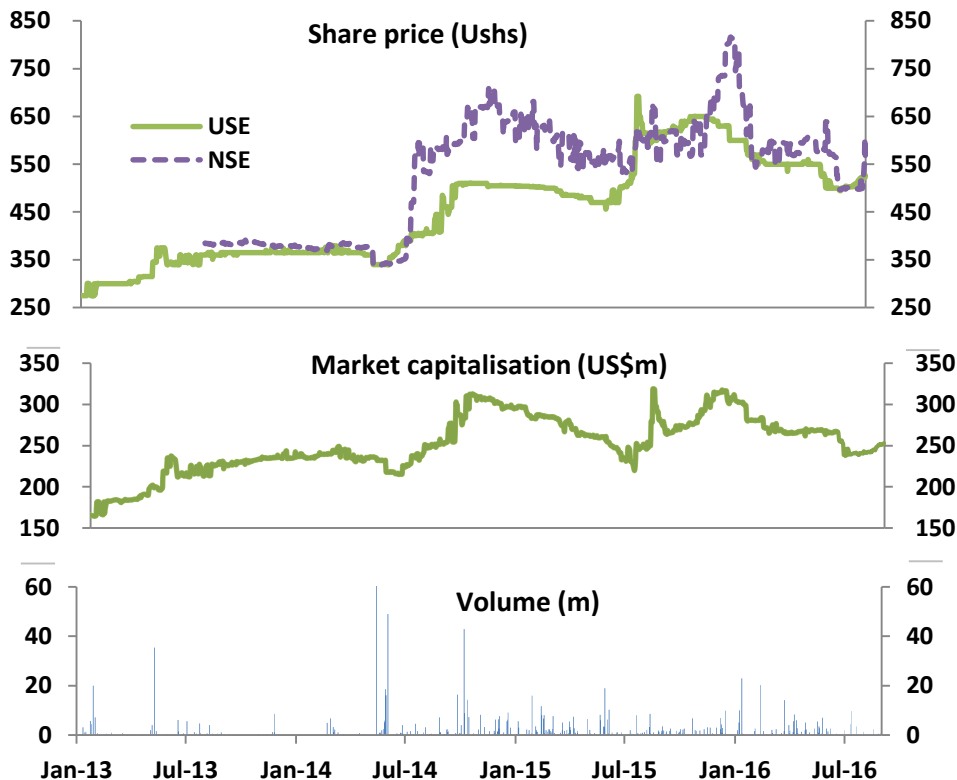
\* Umeme financial year (Jan-Dec)

\*\* Allowance is adjusted annually for international and local inflation



# Trading update

Market cap US\$253m at Ushs 526 share price



TOP 20 SHAREHOLDERS (JUL 2016)		%
1	NATIONAL SOCIAL SECURITY FUND	15.7%
2	UMEME HOLDINGS LIMITED & NOMINEES	14.3%
3	KIMBERLITE FRONTIER AFRICA FUND	5.8%
4	ALLAN GRAY AFRICA FUNDS	5.4%
5	INVESTEC FUNDS	4.9%
6	ASHMORE FUNDS	3.4%
7	DUET FUNDS	3.3%
8	UTILICO EMERGING MARKETS LIMITED	3.2%
9	INTERNATIONAL FINANCE CORPORATION	2.8%
10	KATTAGAT TRUST	2.0%
11	BOUTIQUE COLLECTIVE INVESTMENTS	1.6%
12	T. ROWE PRICE	1.4%
13	IMARA	1.3%
14	CENTRAL BANK OF KENYA PENSION FUND	0.9%
15	VANDERBILT UNIVERSITY	0.9%
16	CONRAD HILTON FOUNDATION	0.9%
17	POHJOLA BANK PLC	0.9%
18	OLD MUTUAL	0.8%
19	KUWAIT INVESTMENT AUTHORITY	0.8%
20	BYARUHANGA WILLIAM	0.8%

	Jun-16 <sup>(1)</sup>	At IPO
P/E	9.3x	10.8x
EV/EBITDA <sup>(2)</sup>	5.6x	3.9x
P/(Buyout amount less net debt) <sup>(3)</sup>	1.2x	1.2x
Dividend Yield	7.0%	-
Return on unrecovered investments (US\$) <sup>(4)</sup>	15%	16%

## Notes

<sup>(1)</sup> Actual 12 months to 30<sup>th</sup> June 2016

<sup>(2)</sup> EBITDA excludes finance income/cost & FX gain/loss. Includes interest on bank deposits

<sup>(3)</sup> Indicative assuming GoU termination premium of 20% of unrecovered investment

<sup>(4)</sup> Calculated on prior year unrecovered base. As at FY15

CATEGORY ( JULY 2016)	%
INTERNATIONAL FUNDS	43.2%
AFRICA FUNDS (EX. EAST AFRICA)	16.4%
UGANDA INSTITUTIONAL	18.6%
EAST AFRICA INSTITUTIONAL	13.6%
UGANDA RETAIL	5.9%
DIRECTORS & EMPLOYEES	1.7%
OTHER	0.6%
	100.0%

# Summary & Outlook



- Closure of Amendment 2&4 plus recognition of investments
- Investments in line with sector growth
- Concession Renewal
- Revised strategy on technical and commercial losses reduction
- Performance-based incentive schemes

# Appendices

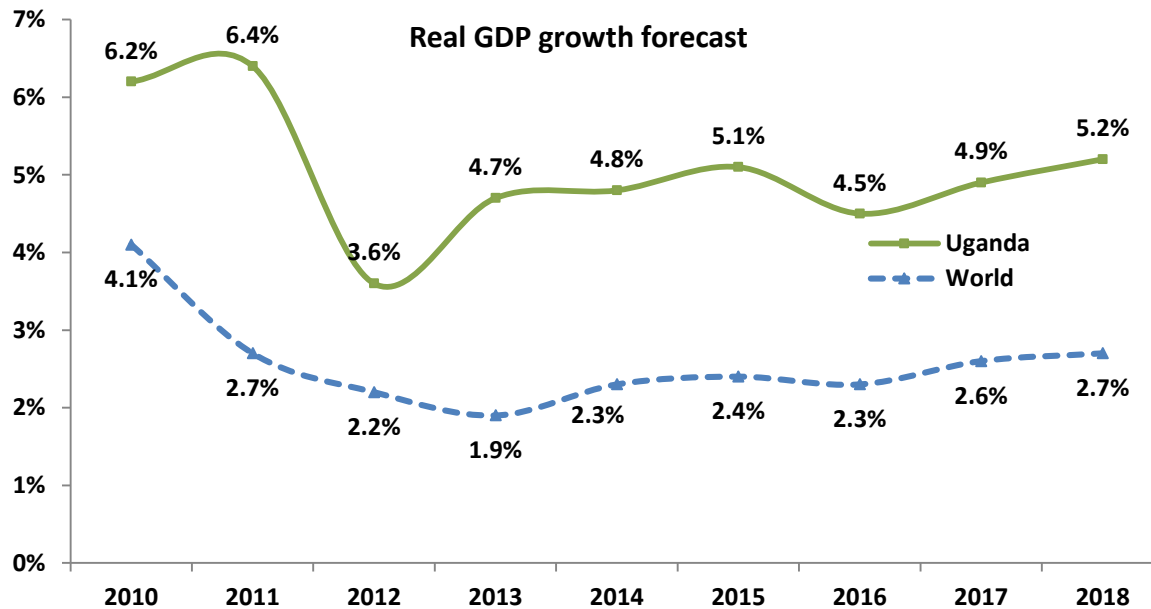


- Appendix 1: Uganda's macroeconomic outlook
- Appendix 2: Generation Pipeline
- Appendix 3: Generation overview
- Appendix 4: Tariff analysis



# Appendix 1: Uganda's macroeconomic outlook

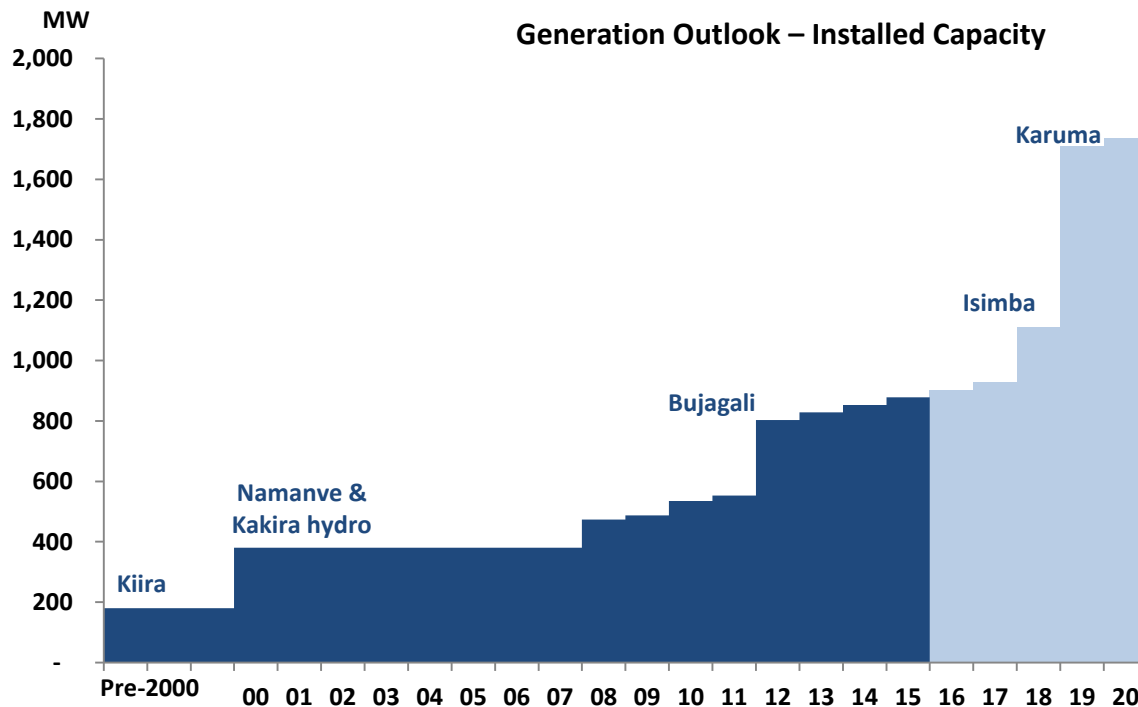
## Positive outlook for economic growth



- “Real GDP growth is forecast at 4.5% in 2016, with high government spending offset by sluggish private sector activity. Real GDP growth is expected to rise to 5.2% in 2018.
- Economic growth will be relatively broad-based, with telecommunications, financial services and transport continuing to perform well. Investment in infrastructure will be a key driver of growth, with the construction industry expected to expand rapidly.”

# Appendix 2: Generation Pipeline

## Strong Generation Pipeline +1000 MW



### Generation pipeline

#### Large-hydro:

- ✓ Karuma - 600 MW (40% completed)
- ✓ Isimba - 183 MW (47% completed)
- ✓ Agago-Achwa – 83 MW
- Ayago - 600MW
- Orianga - 400MW
- Kiba - 290MW
- Agago-Achwa – 83 MW
- Muzizi - 44MW

#### Mini-hyros (GET-FIT): 156.5 MW inc.

- ✓ Siti I – 5 MW
- ✓ Waki – 4.8 MW
- ✓ Lubilia – 5.4 MW
- ✓ Rwimi – 5.5 MW
- ✓ Muvumbe – 6.5 MW
- ✓ Nyagak 3 – 5.4 MW

#### Other

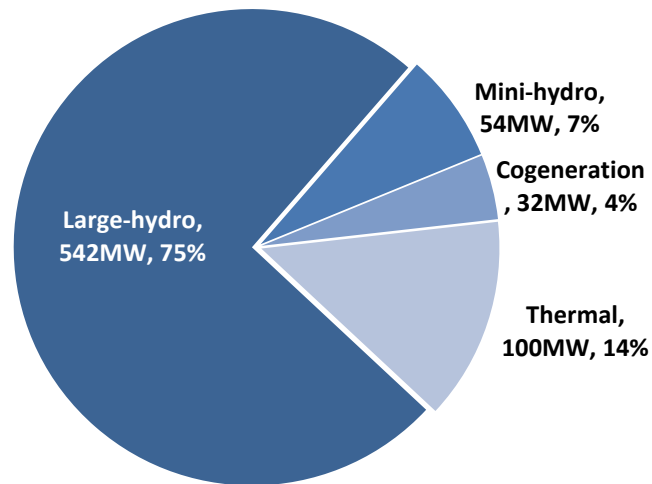
- ✓ Soroti Solar – 10 MW
- Tororo Solar – 10 MW
- Siti II - 16.5 MW
- Kikagati – 16 MW
- Kabale Peat plant 33 MW
- Kabale geothermal 30MW

Source: Umeme, UETCL, MEMD

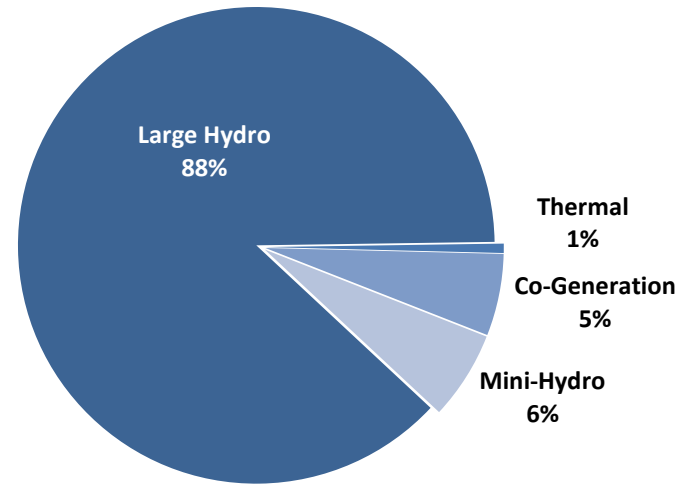
# Appendix 3: Generation overview

Peak demand c.540MW

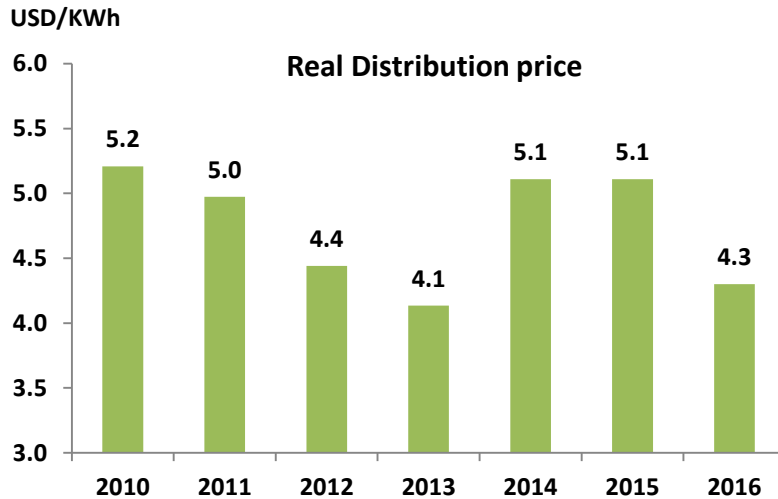
### Energy supply mix (Effective Generation)



### Average Monthly Dispatch

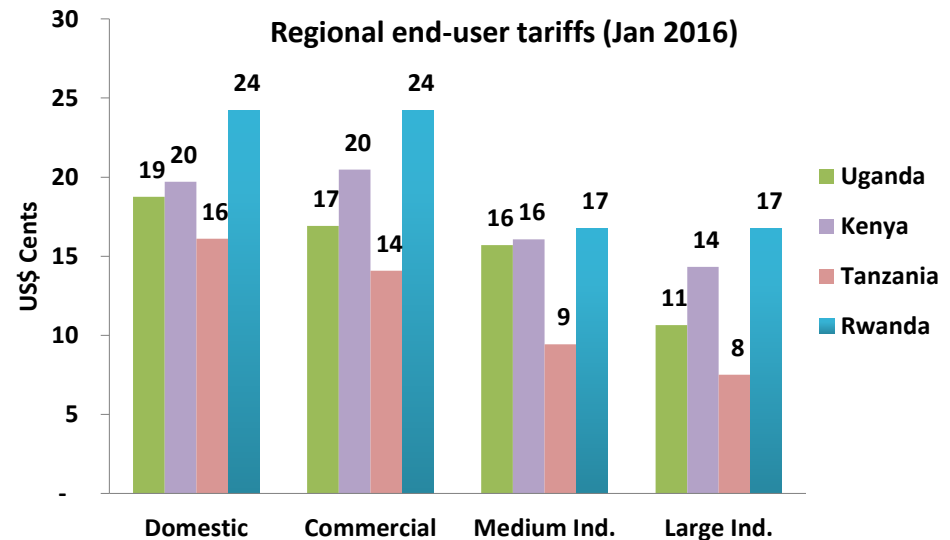


# Appendix 4: Tariff analysis



*Uganda's tariffs are competitive regionally and cheaper than Kenya across domestic, commercial and large industrial customers*

*Umeme distribution price is <30% of end-user tariff*



Sources: Electricity Regulatory Authority Uganda, Electricity & Water Utilities Regulatory Authority Tanzania, Electricity Regulatory Commission Kenya, EWSA Rwanda. Data collected as at January 2016 and converted using Bank of Uganda official COMESA exchange rates to US\$