



FOR IMMEDIATE RELEASE

CDSC MARKS A MILESTONE IN THE DEMATERIALIZATION PROCESS

NAIROBI- JULY 18 2013: The Central Depository and Settlement Corporation (CDSC) is today hosting a dematerialization workshop for its Central Depository Agents. The sensitization workshop is held as CDSC marks a total of 87.95 per cent of the free float of shares being immobilized and 54.34 per cent of the total market capitalization immobilized, representing a value 938.6 billion as at that date.

Speaking at the dematerialization workshop held at a city hotel, CDSC's Chief Executive Mrs. Rose Mambo emphasized the importance of dematerialization, citing it as a game changer and a major step in the capital market which will significantly raise the profile of Kenya's capital market in adherence to international best practice.

Following consultations with key stakeholders (Issuers, Registrars), CDSC, in conjunction with the Nairobi Securities Exchange (NSE) started the process of Dematerialization in 2012. Dematerialization is the next logical step after immobilization, and will be the culmination of a journey that started in 2004 when CDSC commenced operations. To facilitate dematerialization in a phased approach, all quoted companies at the NSE have been grouped into three tranches. Tranche one will be declared dematerialized on 1st September 2013, Tranche two on 1st October 2013 and the final tranche dematerialization date will be 1st November 2013.

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CDSC marks a milestone in the dematerialization process

Dematerialization refers to the process of converting paper certificates into electronic form, the main difference from immobilization being that on the dematerialization date, all securities will be held in electronic form and the underlying physical certificate will cease to be evidence of ownership of securities of any company quoted at the NSE, instead, ownership of securities will be in the electronic holdings maintained in the Central Depository System (CDS) operated by CDSC.

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About the Central Depository & Settlement Corporation

The Central Depository & Settlement Corporation Limited (CDSC) is a limited liability Company approved by the Capital Markets Authority under Section 5 of the Central Depositories Act, 2000 to establish and operate a system for the central handling of deliveries and settlement of securities in the Capital Markets in Kenya. It commenced its operations as a central depository on 10th November 2004.

For more information, please find a copy of the C.E.O's key note speech which is also available in our website, www.cdskenya.com

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