



Nation Media Group
Media of Africa for Africa

H1 2011 Investor Briefing August 2, 2011

Agenda

- **Performance Highlights**
- **Divisional Updates**
- **Financial Results**
- **2011 Outlook**
- **Q&A**



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Highlights



Highlights

- Overall good start to the year
- New printing press for MPL – Uganda (\$2.1M)
- Daily Monitor circulation growth
- NTVU no. 1 station and station of choice nationally (Synovate Q1 2011)
- NTV Kenya national share of eye increase
- NTV Business Agenda, PM Live
- Epic coverage of news events: South Sudan, Uganda elections, Nigeria elections
- QFM: Fastest growing Kiswahili station in the country
- Mwanaspoti launched in Mombasa

Challenges

- **Tough operating environment**
 - **High inflation, drought**
 - **Increased energy costs: fuel, electricity**
 - **Currency depreciation**





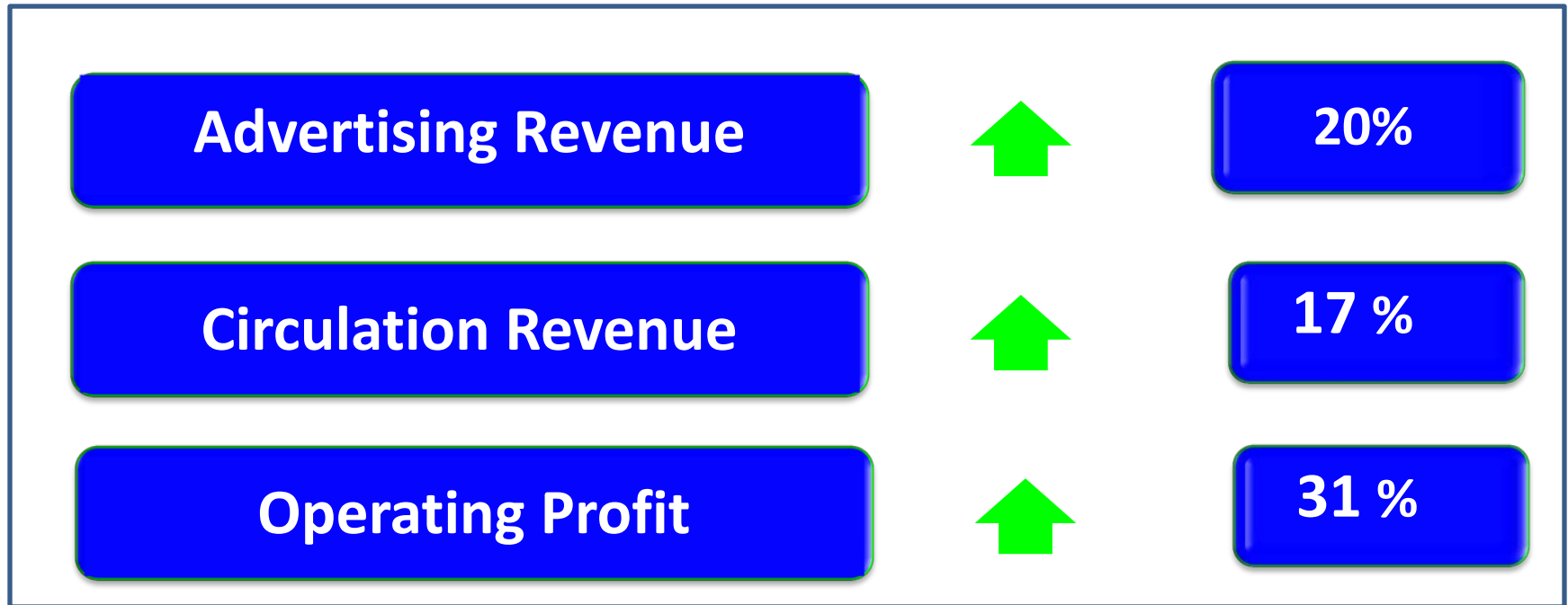
Divisional Updates

Nation Newspapers Division

Advertising Revenue	↑	10%
Circulation Revenue	↑	21%
Total Revenue	↑	14%
Direct Costs	↑	(36)%
Operating Profit	↑	16%

- ↻ Continued Market leadership
- ↻ Circulation growth, *Utahama lini?*
- ↻ Direct costs up: high newsprint prices & increased volumes

The EastAfrican



- 📌 Rwanda edition launched
- 📌 Assertive and authoritative content
- 📌 Diageo Africa Business Reporting Awards

The EastAfrican

Business Daily

Circulation Revenue	↑	12%
Advertising Revenue	↑	11%
Operating Profit	↑	881%

🔍 Top 100 search ongoing

🔍 Expect more content variety

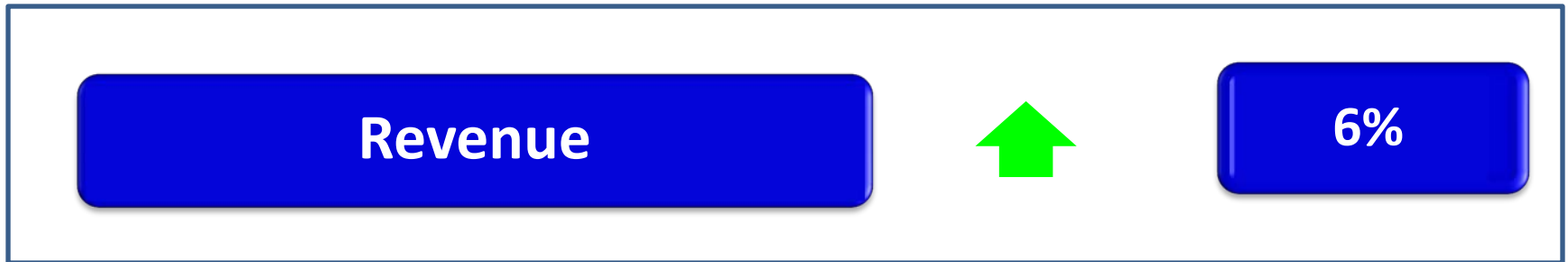
BUSINESS DAILY



- Now the 3rd largest station in Kenya (KARF)
- On-ground presence and consumer interaction through roadshows



Easy FM



- **Launch of new breakfast show with Marcus & Munene - Listen, Laugh & Learn**
- **Wider variety of music: local R&B**

easyfm
number one for blues and r&b

NTV Kenya

Revenue



27%

Operating Results



59%

- Higher ratings, market share growth
- Authoritative news coverage
- Strong offering of local content: Demigods, Saints, Churchill, Noose of Gold, Beba Beba



turning on your world

NTV Uganda

Advertising Revenue



6%



- **Market leadership: viewership, ratings**
- **Most watched, most credible station**
- **Simulcasts with NTV Kenya**

Monitor Publications Ltd

Circulation Revenue



10%

Advertising Revenue



7%

- New printing press installed, superior product
- Assertive/ authoritative coverage of recent political events
- Significant circulation growth

DAILY
MONITOR
TRUTH EVERY DAY

Mwananchi Communications Ltd



- ↳ Market share gains, significant circulation growth
- ↳ Superior quality product
- ↳ Mwanaspoti launch in Mombasa in March

Nation Digital

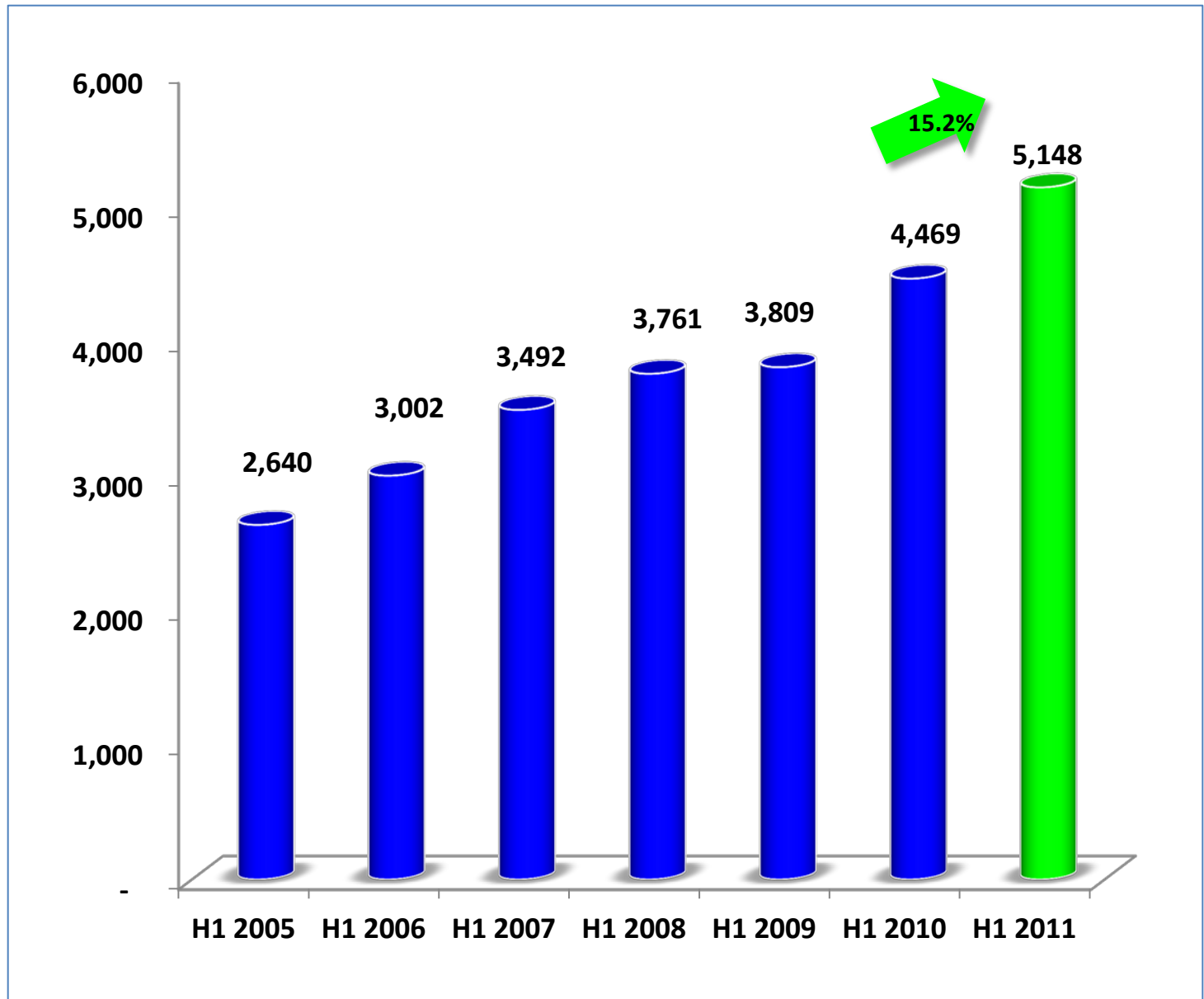


- Significant increase in online traffic
- Focus on new products to continue

An abstract graphic on the left side of the slide, featuring overlapping, semi-transparent red and white geometric shapes that create a sense of depth and movement. The shapes resemble architectural elements like arches and columns, rendered in a stylized, digital manner.

H1 Results

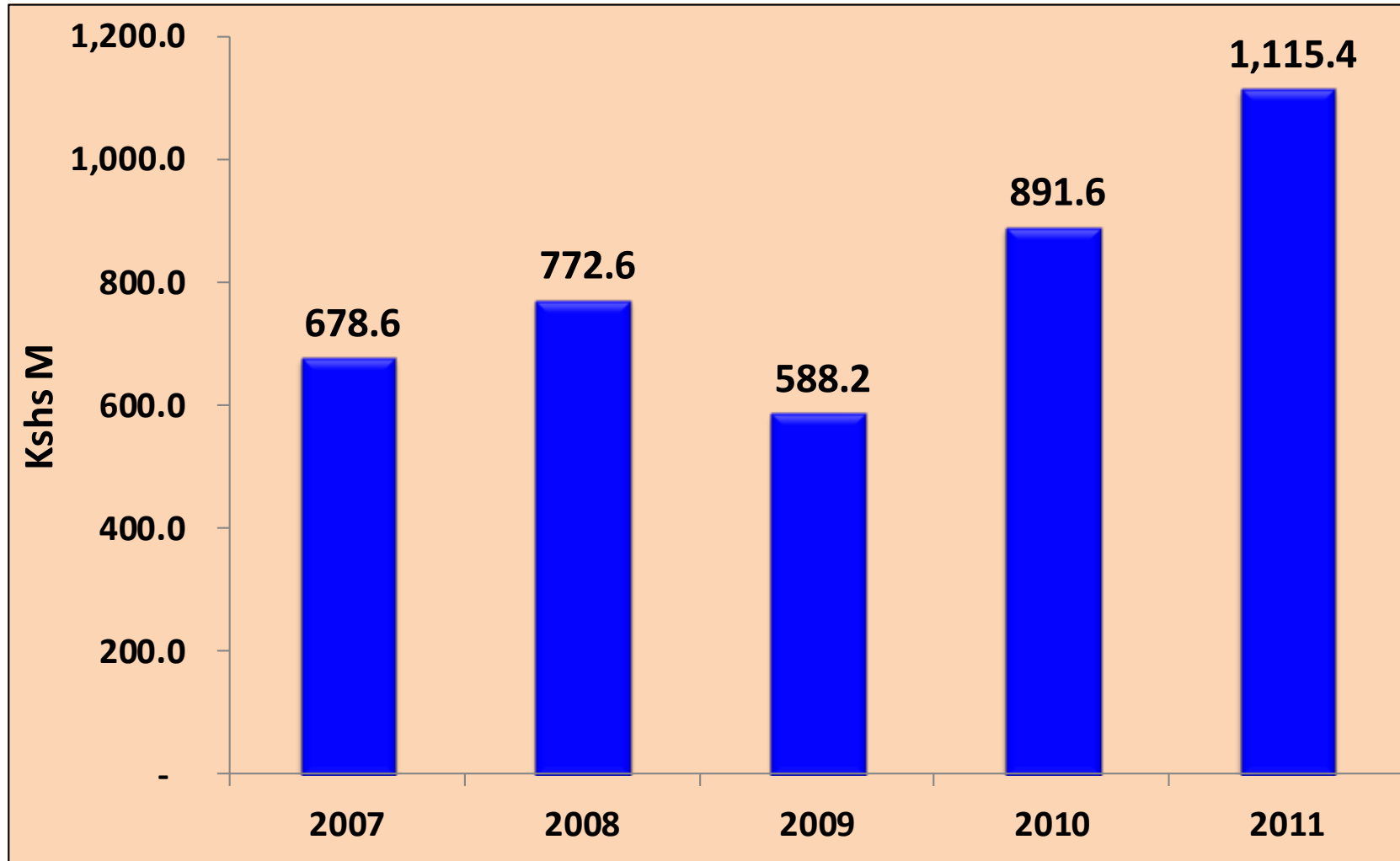
Sustained Turnover Growth (Kshs M)



Consolidated Statement of Comprehensive Income (Kshs M)

	Jun-10	Jun-11	%
	Kshs M	Kshs M	Change
Turnover	4,468.7	5,148.0	15.2
Profit before income tax	891.6	1,115.4	25.1
Income tax expense	(294.1)	(368.4)	(25.2)
Profit after tax	597.5	747.0	25.0
Other comprehensive income	(39.8)	(15.4)	61.2
Non-controlling Interest	0.4	(1.0)	
Profit attrib. to shareholders	558.1	730.6	30.9

Half Year Profit Before Tax (Kshs M)



Group Statement of Financial Position (Kshs M)

	Dec-10	Jun-11
	Kshs M	Kshs M
Capital and Reserves		
Share capital	393	393
Other reserves	30	18
Retained earnings	3,916	4,423
Proposed dividends	1,021	1,257
Minority interest	62	63
Non-current liabilities	-	165
Total Equity & Non-current liabilities	5,422	6,319
Assets		
Non-current assets	2,898	2,931
Working capital		
Current assets	5,077	5,981
Current liabilities	2,553	2,594
Net working capital	2,524	3,388
Total Assets	5,422	6,319

Total Assets up by 16.5%

Condensed Cash Flow Statement (Kshs M)

	Jun-11
	Kshs M
Cash generated from operations	1,242
Net Interest	44
Tax paid	(557)
Net cash from operating activities	729
Net cash used in investing activities	(227)
Net cash used in financing activities	144
Net Cash Movement	646
At start of period: Jan 2011	2,603
At end of period: June 2011	3,244

Cash up by 28%



2011 Outlook

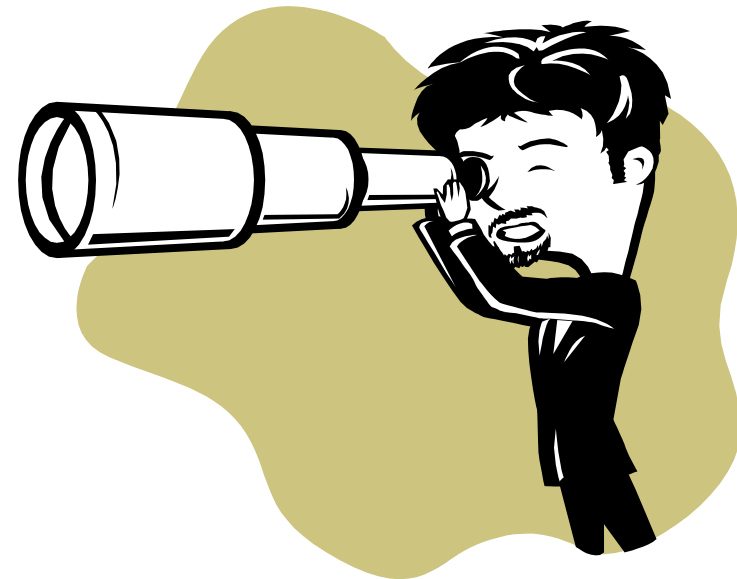
Rwanda

- Launch radio station in Rwanda
- Talent search on



2011 Outlook

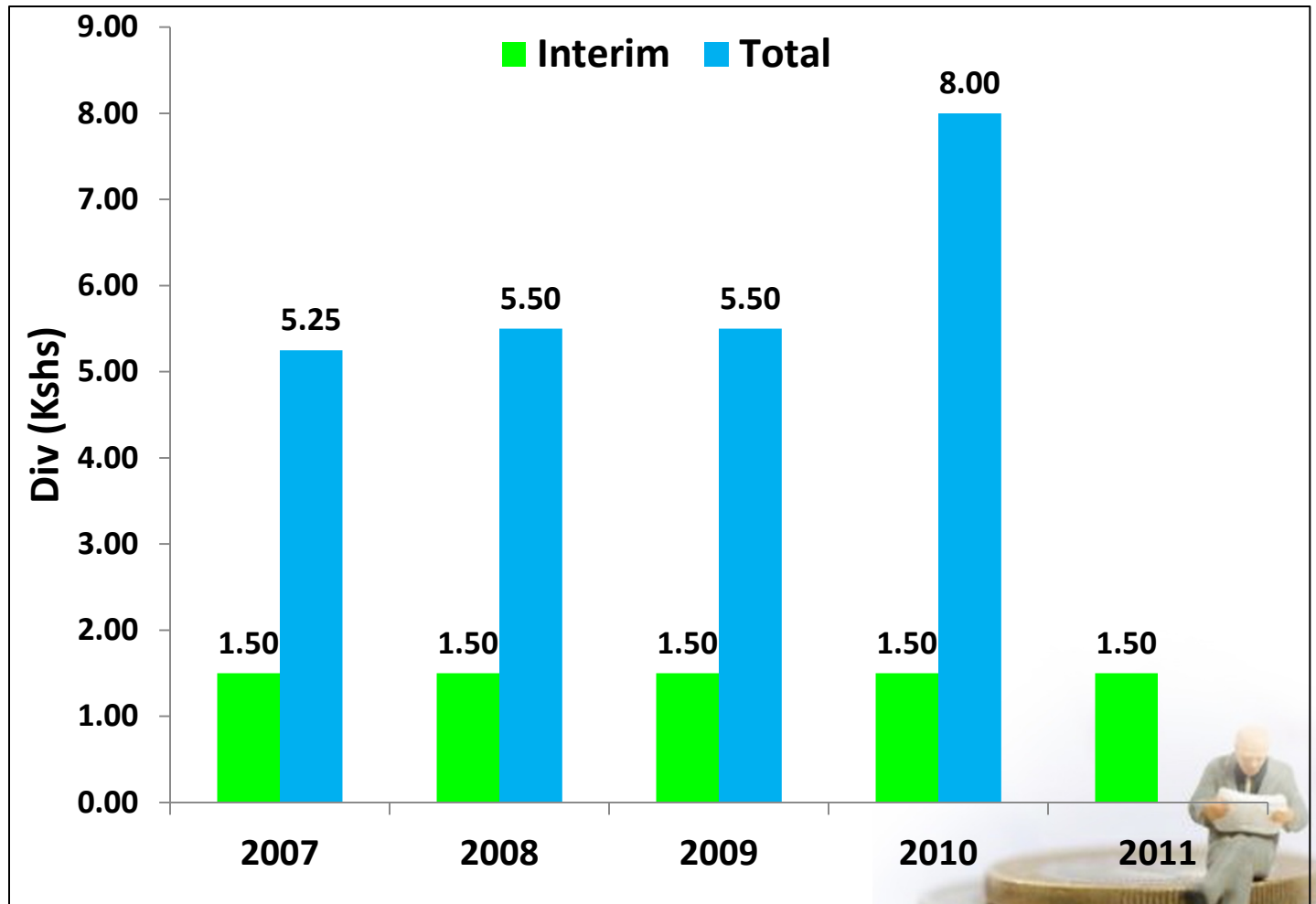
- **Economic risk: inflation, weak shilling, oil prices**
- **Market dominance**
- **Pursue new markets**
- **Cautiously optimistic of good results**





Interim Dividends

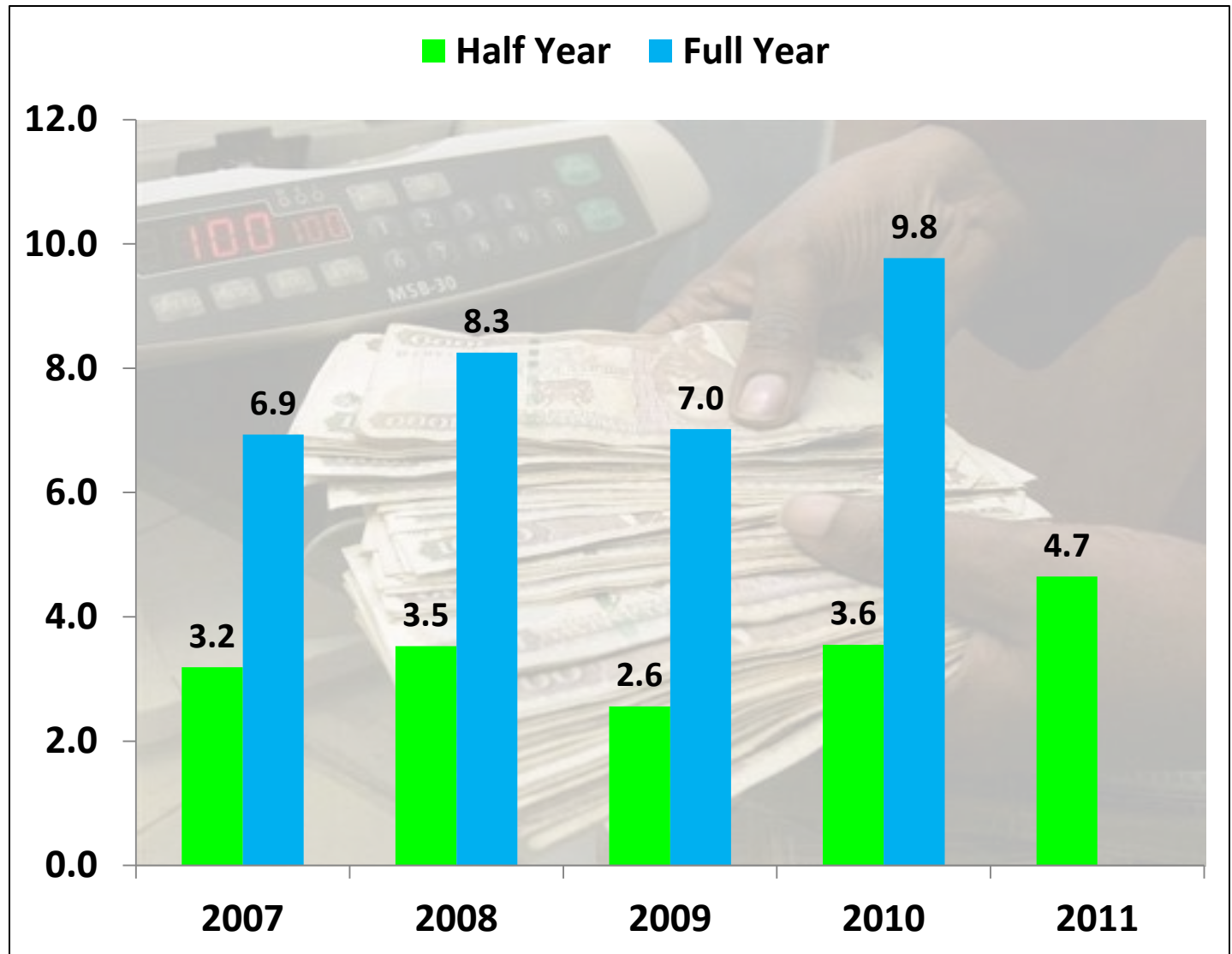
Dividend Trend (Kshs/share)



Interim dividend maintained at Kshs 1.50



Earnings Per Share (Kshs)



Half Year EPS Growth 31%



Thank You

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