

UNAUDITED GROUP RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

Condensed consolidated statement of comprehensive income

	June 2020 Shs.million	June 2019 Shs.million
Turnover	3,263.9	4,580.4
Gross Profit	2,622.7	3,610.8
(Loss)/Profit before income tax and exceptional item	(145.4)	651.9
Exceptional items	(182.6)	(71.1)
(Loss)/Profit before income tax	(328.0)	580.8
Income tax expense	(47.2)	(177.1)
(Loss)/Profit after income tax	(375.2)	403.7
Other comprehensive income	22.5	13.0
Total comprehensive income	(352.7)	416.7
Attributable to:		
Owners of the parent	(357.1)	417.5
Non controlling interest	4.4	(0.8)
Earnings per share (Shs)	(1.9)	2.2
Interim dividend per share (Shs)	-	1.5

Condensed statement of financial position

	30th June 2020 Shs.million	31st December 2019 Shs.million
Capital and reserves		
Share capital	471.4	471.4
Other reserves	(114.7)	(134.9)
Retained earnings	7,028.6	7,397.1
Proposed dividends	-	-
	7,385.3	7,733.6
Non controlling interest	59.5	63.9
Total equity	7,444.8	7,797.5
Non-current liabilities	675.3	725.5
	8,120.1	8,523.0
Assets		
Non-current assets	4,948.9	5,184.7
Working capital		
Current assets	6,964.2	6,912.0
Current liabilities	3,793.0	3,573.7
Net working capital	3,171.2	3,338.3
	8,120.1	8,523.0

Condensed Group statement of changes in equity

	Attributable to equity holders of the company					
	Share capital Shs m	Other reserves Shs m	Retained earnings Shs m	Proposed dividends Shs m	Minority interest Shs m	Total equity Shs m
6 months ended 30th June 2020						
At start of the period	471.4	(134.9)	7,397.1	-	63.9	7,797.5
Total Comprehensive income:						
Loss for the period	-	-	(368.5)	-	(6.7)	(375.2)
Other comprehensive income, net of tax						
Currency translation differences	-	20.2	-	-	2.3	22.5
Total other comprehensive income	-	20.2	-	-	2.3	22.5
Total comprehensive income for the period	-	20.2	(368.5)	-	(4.4)	(352.7)
At end of period	471.4	(114.7)	7,028.6	-	59.5	7,444.8

Condensed statement of cash flows

	6 months ended 30.06.20 Shs.million	6 months ended 30.06.19 Shs.million	12 months ended 31.12.19 Shs.million
Cash generated from operations	337.9	967.6	1,967.8
Tax paid	(75.6)	(382.0)	(519.4)
Net cash from operating activities	262.3	585.6	1,448.4
Net cash generated from/(used in) investing activities	421.7	141.8	(140.9)
Net cash used in financing activities	(89.2)	-	(1,155.9)
Increase in cash and cash equivalents	594.8	727.4	151.6
At start of period	1,039.0	867.1	867.1
Exchange gains on cash and cash equivalents	4.5	6.1	20.3
At end of period	1,638.3	1,600.6	1,039.0
Short term investments	1,142.4	1,186.1	1,520.0
Total cash and cash equivalents	2,780.7	2,786.7	2,559.0

PERFORMANCE

The measures rolled out by the Governments across the region in response to the COVID-19 pandemic precipitated significant decline in the Group's advertising and circulation volumes particularly between April and June. Advertisers faced devastating financial challenges, scaled down operations and held back marketing activities in a fight for survival and several closed down. Additionally, the general restriction on mobility of people across the markets led to a decline in newspapers copy sales.

On a positive note, subscriptions to our digital products are growing substantially while improvements achieved in operational efficiency and productivity continue to contribute to enhancing the operating margins.

COVID-19 PANDEMIC

The Group has taken appropriate actions to safeguard the safety of its staff and customers as a priority, alongside ensuring continuity of its operations within the guidelines prescribed by the respective authorities as well as supporting various initiatives targeted at addressing the pandemic within the communities.

INTERIM DIVIDEND

Considering the Group's investment plans and the adverse impact of the COVID-19 pandemic, the directors do not recommend payment of an interim dividend.

OUTLOOK

The Group has accelerated its transformation into digital media anchored on its new digital brand, **Nation.Africa**, launched in July 2020. This, together with strengthening of the Group's print and broadcast media products are expected to offset the adverse performance above and drive the long term profitability of the business.

By order of the Board

S Owino
INTERIM COMPANY SECRETARY
28 August 2020