

The Board of Directors of The Standard Group PLC is pleased to announce the audited results for the year ended 31 December 2018. The results below have been extracted from the audited consolidated financial statements of The Standard Group PLC for the year ended 31 December 2018. The financial statements were audited by KPMG Kenya who expressed an unqualified audit opinion.

**Consolidated Statement of profit or loss and other Comprehensive Income for the year ended 31 December 2018**

	<b>31-Dec-2018 Audited Kshs'000</b>	<b>31-Dec-2017 Audited Kshs'000</b>
Revenue	4,836,030	4,657,488
Total operating costs	(4,391,050)	(4,942,733)
Other income	120,077	184,110
Finance costs (net)	(167,832)	(181,051)
<b>Profit (loss) / before taxation</b>	<b>397,225</b>	<b>(282,186)</b>
Taxation (expense)/credit	(135,940)	71,348
<b>Profit / (loss) after taxation</b>	<b>261,285</b>	<b>(210,838)</b>
<b>Earnings per share Basic - Kshs</b>	<b>2.41</b>	<b>(3.32)</b>
<b>Earnings per share Diluted - Kshs</b>	<b>2.41</b>	<b>(3.32)</b>
<b>Dividend per Share - Kshs</b>	<b>-</b>	<b>-</b>

**Consolidated Statement of Financial Position as at 31 December 2018**

	<b>31-Dec-2018 Audited Kshs'000</b>	<b>31-Dec-2017 Audited Kshs'000</b>
<b>ASSETS</b>		
Non Current Assets	2,684,536	2,585,175
Current Assets	1,991,597	1,874,462
<b>Total Assets</b>	<b>4,676,133</b>	<b>4,459,637</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share Capital	408,654	408,654
Share Premium	39,380	39,380
Revenue Reserve	1,212,482	1,156,922
Capital Redemption Reserve	102	102
	<b>1,660,618</b>	<b>1,605,058</b>
Non-Controlling Interest	293,698	260,198
<b>Total Shareholders' Equity</b>	<b>1,954,316</b>	<b>1,865,256</b>
Non Current Liabilities	538,136	382,049
Current Liabilities	2,183,681	2,212,332
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,676,133</b>	<b>4,459,637</b>

**GROUP RESULTS**

The year 2018 saw the country make spirited efforts to recover from the economic downturn of the 2017 election year. Whereas this meant a shift back to a focus on growth, the journey of recovery has been slow, with many challenges along the way.

Against this backdrop, the Group realized a profit before tax of Kshs. 397 million compared to a loss before tax of Kshs. 282 million in 2017, driven by improved efficiencies resulting from investment in process automation and cost optimization.

The Group turnover grew by 4% to close at Kshs. 4.8 billion compared to Kshs. 4.6 billion in 2017, driven largely by improved performance across our brands.

Direct and operating costs declined by 11% and 12% respectively compared to 2017, which is attributable to cost management initiatives implemented throughout the Group.

The Group's receivables grew by 7% for the period under review, driven by outstanding debt from key clients and Government. The

Group implemented IFRS 9 that took effect in January 2018. This has seen an increase in debt provisions by 74% compared to the 2017 position.

**OUTLOOK 2019**

The Board is confident that, should the micro-economic environment remain stable, the Group will continue with the positive performance recorded in the year 2018. The Group will deepen its customer engagements and offer more niche media products and services that are responsive to market needs.

**DIVIDENDS:**

The Board recommends a dividend of Kshs. 0.60 per share for the year 2018.

**ORDER OF THE BOARD**

Millicent Ng'etich  
Company Secretary  
15<sup>th</sup> March 2019

**Condensed Consolidated Statement of Cashflows for the year ended 31 December 2018**

	<b>31-Dec-2018 Kshs'000</b>	<b>31-Dec-2017 Kshs'000</b>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash generated from operations</b>	<b>520,013</b>	<b>870,766</b>
Interest paid	(167,832)	(181,051)
Tax paid	(63,774)	(36,490)
<b>Net cash generated from operating activities</b>	<b>288,407</b>	<b>653,225</b>
Cashflows: Investing activities	(335,258)	(656,096)
Cashflows: Financing activities	265,025	(66,818)
Net increase/(decrease) in cash and cash equivalents	218,174	(69,689)
Cash and cash equivalents at the beginning of the year	(369,851)	(300,162)
<b>Cash and cash equivalents at the end of the year</b>	<b>(151,677)</b>	<b>(369,851)</b>

**Consolidated Statement of Changes in Equity for the year ended 31 December 2018**

	Share Capital		Capital	Attributable to		Total	
	Share Capital	Share Redemption Premium	Retained Reserve	Equity Holders' of the Parent	Minority Shareholders' Interest	Shareholders' Equity	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	
As at 1 January 2017	408,654	39,380	102	1,428,014	1,876,150	199,944	2,076,094
Profit / (loss) for the year	-	-	-	(271,092)	(271,092)	60,254	(210,838)
At 31 December 2017	408,654	39,380	102	1,156,922	1,605,058	260,198	1,865,256
<b>As at 1 January 2018</b>	<b>408,654</b>	<b>39,380</b>	<b>102</b>	<b>1,156,922</b>	<b>1,605,058</b>	<b>260,198</b>	<b>1,865,256</b>
Accounting policy change (IFRS 9)				(201,875)	(201,875)	(44,144)	(246,019)
Tax impact of IFRS 9				60,550	60,550	13,244	73,794
Profit for the year	-	-	-	196,885	196,885	64,400	261,285
<b>At 31 December 2018</b>	<b>408,654</b>	<b>39,380</b>	<b>102</b>	<b>1,212,482</b>	<b>1,660,618</b>	<b>293,698</b>	<b>1,954,316</b>