

## Longhorn Publishers Ltd audited full year results, 30<sup>th</sup> June 2015

### Consolidated Income Statement for year ended 30<sup>th</sup> June 2015

	2015 KES 000	2014 KES 000
Sales	848,377	1,396,834
Cost of sales	(373,729)	(717,561)
<b>Gross profit</b>	<b>474,648</b>	<b>679,273</b>
Other operating income	2,662	5,539
Selling & Distribution expenses	(92,357)	(209,580)
Administrative expenses	(279,634)	(307,685)
Interest (Expense)/Income	(614)	776
Net foreign exchange losses	(7,789)	(21,097)
<b>Profit/(Loss) from operations</b>	<b>96,916</b>	<b>147,226</b>
Taxation charge	(25,190)	(52,293)
<b>Profit/(Loss) after tax</b>	<b>71,726</b>	<b>94,933</b>
<b>Other comprehensive income</b>		
Exchange difference on translation of Financial operations	(8,668)	321
<b>Total comprehensive income for the year</b>	<b>63,058</b>	<b>95,254</b>
<b>EARNINGS PER SHARE-BASIC AND DILUTED</b>	<b>0.7</b>	<b>0.93</b>

### Consolidated Statement of Cash flow Position for year ended 30<sup>th</sup> June 2015

	2015 Kshs M	2014 Kshs M
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Generated from operations	29,689	190,273
Taxation paid	(16,711)	(99,189)
Net exchange loss	(7,789)	(21,097)
<b>Net cash generated from operating activities</b>	<b>(5,189)</b>	<b>69,987</b>
Net cash used in investing activities	(54,848)	(8,657)
Net cash used in financing activities	(75,323)	(46,800)
<b>Net Cash used in investing activities</b>	<b>(124,843)</b>	<b>14,530</b>
At start of the period	130,104	123,853
Exchange adjustments	(4,296)	(8,279)
<b>Cash and cash equivalents at end of the year</b>	<b>825</b>	<b>130,104</b>

### Consolidated Statement of Financial Position for year ended 30<sup>th</sup> June 2015

	2015 KES '000	2014 KES'000
<b>ASSETS:</b>		
Non-current assets	225,844	198,711
Current Assets	463,476	553,848
	<b>689,320</b>	<b>752,559</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves	380,378	434,320
Current liabilities	308,942	318,239
	<b>689,320</b>	<b>752,559</b>

### Condensed Consolidated Statement of changes in Equity for year ended 30<sup>th</sup> June 2015

	Share Capital Kshs'M	Share premium Kshs'M	Retained earnings Kshs'M	Translation reserve Kshs'M	Total Kshs'M
At 1st July 2013	58,500	5,039	329,917	(7,590)	385,866
Total Comprehensive income for the year			94,933	321	95,254
2013 Dividends paid			(46,800)		(46,800)
At 30th June 2014	<b>58,500</b>	<b>5,039</b>	<b>378,050</b>	<b>(7,269)</b>	<b>434,320</b>
At 1st July 2014	58,500	5,039	378,050	(7,269)	434,320
Total Comprehensive income for the year			71,726	(8,668)	63,058
2014 Dividends paid			(117,000)		(117,000)
Issue of bonus shares	87,750		(87,750)		-
At 30th June 2015	<b>146,250</b>	<b>5,039</b>	<b>245,026</b>	<b>(15,838)</b>	<b>380,378</b>

#### Commentary

During the period under review, the group recorded an after tax operating profit of Kshs. 71.7m against the previous year's profit of Kshs. 94.9m. The reduction in the turnover was mitigated by significant saving in the Company's selling and distribution costs in the export markets.

Despite a significant growth in the bottom line in Kenya, the group sales revenue dropped to Kshs. 848m, compared to the previous year's Kshs. 1.396b. The 39% dip was driven by low performance in the Tanzania and Uganda subsidiaries as well as reduced book purchases in the regional market.

To secure better profits in future, the Company has developed strategies centered on creating sustainable growth through product diversification and geographical growth. To this end, the Company has acquired exclusive distribution rights for 3 core products namely the Cambridge Learners Dictionary and Cambridge Advanced Learners Dictionary as well as School RSV Bibles from Bible Society of Kenya. The Company has made strategic investments in Uganda and

Rwanda by acquiring new premises to serve as Longhorn's permanent office blocks. This continues to demonstrate Longhorn's commitment in growing its operations within these two countries. Significant investments have been made to support the selling process and we believe that with this and the aggressive sales strategy that has been adopted, the Company will record positive sales growth and profitability in the coming year.

#### Dividend

The Board of Directors is pleased to recommend a final dividend of Kshs 0.15 per share to the shareholders on register as at 27 November 2015.

#### Annual General Meeting

The Annual General Meeting will be held on Friday, 27 November 2015 at 11:00 a.m

#### By Order of the Board

Hon. FT Nyammo OGW, MBS  
Chairman

Simon Ngigi  
Group Managing Director

Dated 24 September 2015