

LONGHORN KENYA LTD



INTERIM STATEMENT TO SHAREHOLDERS
GROUP UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31ST DECEMBER 2014

UNAUDITED CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 2014

	2014 Kshs '000	2013 Kshs '000
Sales	531,040	558,170
Cost of sales:	(301,320)	(276,848)
Gross profit	229,720	281,322
Other Income	279	2,017
Selling and distribution expenses	(30,015)	(101,159)
Administrative expenses	(150,251)	(139,103)
Profit\ (Loss) before taxation	49,733	43,078
Taxation (charge)\ Credit	(9,837)	(12,923)
Net profit/ (Loss) after tax	39,896	30,155
Basic and Diluted Earnings per share	0.27	0.21

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2014

	2014 Kshs '000	2013 Kshs '000
Assets		
Non-current Assets	197,702	207,296
Current Assets	837,446	893,216
Total Assets	1,035,148	1,100,511
Equity and Liabilities		
Share Capital	146,250	58,500
Reserves	217,348	365,111
Current Liabilities	671,550	676,901
Total Equity & Liabilities	1,035,148	1,100,511

COMMENTARY

The Group profitability stood at Ksh 39.9m compared to Ksh 30.1m in the same period the previous year, representing a 32% growth. This was mainly due to lower distribution costs and better operating cost management within the Group.

For the period under review, the Group revenue was Ksh 531m down 5% from Ksh 558m attained in the same period the previous year. This drop is attributable to factors that reduced demand such as:

- additional duty on paper which increased the printing costs by 9%.
- VAT levy which increased end user costs leading to reduced demand in the period;
- a timing difference occasioned by delay in disbursement of Free Education funds;
- increased piracy of the company's prime products.

The Group has commenced concrete strategic initiatives to mitigate the effects of the above challenges.

Outlook for the Second Half of the year

The Board is optimistic that despite the cited hurdles, the Group shall achieve better results in the second half of the year. The Company is aggressively exploring business opportunities in the region and initiating bold diversification programmes while strengthening the subsidiaries for improved performance.

Dividend

The Board does not recommend payment of an interim dividend from the half year results.

These unaudited Financial Statements were approved by the
Board of Directors on 19th February 2015.

Hon. FRANCIS T NYAMMO OGW, MBS
(Chairman)

MUSYOKI MULI
(Managing Director)



Kamusi ya Karne ya 21
Ksh 750 + VAT

Kamusi ya Karne ya 21

Usarufi wa maneno kupitia vitengo na kategoria zake.

Mwainisho wa visawe, vitawe, vitate, viumbe na vikembe vyao.

Virejeleo vya taaluma mbalimbali.

Kamusi yenye uketo zaidi



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*Inapatikana katika maduka ya vitabu kote nchini.

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[Signature]
Secretary