

**UNAUDITED CONDENSED GROUP RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2018**

**UNAUDITED CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2018**

	31.12.2018	31.12.2017
	Kshs 000'	Kshs 000'
Sales	697,565	513,460
Cost of sales	(271,041)	(191,059)
Gross profit	426,524	322,401
Operating expenses	(336,339)	(270,310)
Profit before tax	90,185	52,091
Taxation charge	(21,354)	(15,628)
<b>Net profit</b>	<b>68,831</b>	<b>36,463</b>

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

	31.12.2018	31.12.2017
	Kshs 000'	Kshs 000'
<b>ASSETS</b>		
Non - current assets	770,497	579,064
Current assets	1,422,288	1,155,224
<b>Total Assets</b>	<b>2,192,785</b>	<b>1,734,288</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	1,108,238	982,169
Liabilities	1,084,547	752,119
<b>Total equity and liabilities</b>	<b>2,192,785</b>	<b>1,734,288</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS FOR SIX MONTHS ENDED 31 DECEMBER 2018**

	31.12.2018	31.12.2017
	Kshs 000'	Kshs 000'
Net cash used in operating activities	53,431	(66,407)
Net cash used in investing activities	(134,978)	(27,343)
Net cash generated from/(Used in) financing activities	189,835	95,369
Net decrease in cash and cash equivalent	108,288	1,619
Cash and cash equivalent at start of period	(15,661)	(17,280)
<b>Cash and cash equivalent at end of period</b>	<b>92,627</b>	<b>(15,661)</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018**

	Share capital & Premium	Retained earnings	Other reserves	Total
	Kshs 000'	Kshs 000'	Kshs 000'	Kshs 000'
As at 1 July 2017	640,729	339,650	(34,673)	945,706
Comprehensive income	-	183,031	573	183,604
Exchange difference on consolidation on translation of foreign operations	-	-	(10,664)	(10,664)
<b>Dividends</b>	<b>-</b>	<b>(79,008)</b>	<b>-</b>	<b>(79,008)</b>
At 30 June 2018	640,729	443,673	(44,764)	1,039,638
<b>Comprehensive income</b>	<b>-</b>	<b>68,831</b>	<b>(231)</b>	<b>68,600</b>
<b>At 31 December 2018</b>	<b>640,729</b>	<b>512,504</b>	<b>(44,995)</b>	<b>1,108,238</b>

**COMMENTARY ON RESULTS:**

The Board of Directors of Longhorn Publishers Plc is pleased to announce the unaudited results for the half year period ended 31 December 2018. Turnover increased by 36% compared to the same period in the previous year. This is attributed to the growth of volumes in Kenya and the regional markets. The growth in the regional markets has been driven by continued development of materials for the specific markets. With the growth in turnover, Longhorn's profit after tax increased by 88% compared to the same period last year. This is due to improved efficiencies and sale of publishing rights in the regional markets which generated higher margins as compared to the normal book sales.

Longhorn has continued to work closely with government in the supply of textbooks and has successfully completed the distribution of close to 500,000 copies of text books to public Secondary schools across the country.

The performance for the second half is expected to be positive mainly due to the supply of Competency Based curriculum materials (CBC) for grades 1, 2 and 3.

The Board is pleased by the digital transformation strategy which has led to the repurposing of content in mobile platforms, audio and video forms.

The Company remains on track in the implementation of its strategic objectives. The Board is encouraged by the Group's geographical diversification strategy which has seen continued growth of the markets in, Rwanda, Uganda, Tanzania, Malawi and Zambia.

These unaudited financial statements were approved by the Board of Directors on 18 February 2019.

By order of the Board

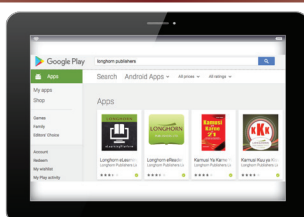
**Hon. F.T. Nyammo, OGW, MBS**

**Group Chairman**

**Maxwell Wahome**

**Group Managing Director**

**18 February 2019**



<https://elearning.longhornpublishers.com>  
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