

Actual - 31 Dec 2016 Kes' 000

684.057 (318,652)

(3,432)

Total

947.567

133,743

(15,250)

120,354)

945,706

36,463

982,169

LONGHORN PUBLISHERSLIMITED expanding minds

UNAUDITED CONDENSED GROUP RESULTS FOR THE SIX MONTHS PERIOD ENDED 31st DECEMBER 2017

UNAUDITED CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

Actual - 31 Dec 2017 Kes' 000

513,460

13,268

Retained

earnings

326.031

133,743

(120, 354)

339,420

36,463

375,883

Other

Reserves

(19,193)

(15,250)

(34, 443)

(34,443)

(191,059)



Sales

Cost of sales





RWANDA

Gross profit 322,401 365,405 Total operating expenses (270,310) (306,535) Profit before tax 52,091 58,870 Taxation charge (15.628)(15.306)Net profit after tax 36,463 43,564 UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 Actual - 31 Dec 2017 Kes' 000 Actual - 31 Dec 2016 Kes' 000 ASSETS: 579.539 Non-current assets 330.262 Current assets 1,539,892 1,154,747 Total Assets 1.734.286 1.870.154 EQUITY AND LIABILITIES: Total equity 982,169 975,556 Total liabilities 752,117 894,598 Total equity and liabilities 1,734,286 1,870,154 CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS FOR SIX MONTHS ENDED 31 DECEMBER 2017 Actual - 31 Dec 2016 Kes' 000 Actual - 31 Dec 2017 Kes' 000 Net cash used in operating activities (66,407) (79,222) Net cash used in investing activities (27,343) (53,069) Net cash generated from/(used in) financing activities 95,369 (71,789) Net decrease in cash and cash equivalent 1,619 (204,081) At start of period 11,649 200,649

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2017

Share Capital

& Premium

640,729

640,729

640,729



MALAWI

SENEGAL



SOUTH SUDAN

COMMENTARY ON RESULTS

At 1 July 2016

Comprehensive income

of foreign operations Dividends

Comprehensive income

At 31 December 2017

At 30 June 2017

Exchange difference on translation

Cash and cash equivalent at end of period

The Board of Directors of Longhorn Publishers Limited is pleased to announce the unaudited results for the half year period ended 31st December 2017. Turnover dropped by 25% compared to the same period in the previous year. This is attributed to the new Government text book procurement framework which resulted in a shift in the buying pattern from quarter II to quarter III of our financial year .We are pleased to be one of the publishers that will be supplying the Government of Kenya with text books in the new procurement framework. Despite the 25% drop in turnover, our profit after tax dropped by a lower proportion of 16%. This is due to the improvement in our operational efficiency and focus on high margin products.

The performance for the second half is expected to be positive mainly due to the government orders to supply books for class 7 and 8. We also expect to deliver on Rwanda Government and UNICEF South Sudan contracts. The Company remains on track in the implementation of its strategic objectives. The Board is encouraged by our geographical diversification strategy which has now yielded success in our newest market, Senegal, where we expect to supply books later this year.

Our digital learning continues to grow exponentially and this will remain the key growth area for the Company.

DIVIDENDS

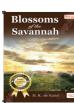
The Board of Directors does not recommend payment of an interim dividend for the half year period ended 31 December 2017.

These unaudited financial statements were approved by the Board of Directors on 23rd February, 2018.

By order of the Board

Hon. Francis T. Nyammo OGW, MBS (Group Chairman)

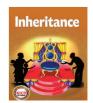
Simon Ngigi (Group Managing Director)



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