

Your Ref: TBA

3<sup>rd</sup> March 2017

The Chief Executive Officer  
Capital Markets Authority  
Embankment Plaza  
Longonot Road, off Kilimanjaro Avenue  
Upperhill  
**NAIROBI**

**“Advance Copy by email”**

**Attn: Paul Muthaura**

Dear Sir,

**RE: AUDITED GROUP RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016:**

The above matter refers.

Enclosed herewith please find the audited results announcement of the Standard Group Limited for the year ended 31<sup>st</sup> December 2016.

Kindly acknowledge receipt of the same.

Yours faithfully,



**MILLICENT NG'ETICH**  
**COMPANY SECRETARY**

cc: The Chief Executive Officer  
Nairobi Stock Exchange Limited  
Nation Centre, Kimathi Street  
**NAIROBI**

Image Registrars  
Barclays Plaza, 5<sup>th</sup> Floor  
Loita Street  
**NAIROBI**





# The Standard Group Limited

## Audited Group Results for the Year ended 31 December 2016

The Board of Directors of The Standard Group Limited is pleased to announce the audited results for the year ended 31 December 2016. The results below have been extracted from the audited consolidated financial statements of The Standard Group Limited for the year ended 31 December 2016. The financial statements were audited by KPMG Kenya who expressed an unqualified audit opinion.

### Consolidated Statement of Comprehensive Income for the year ended 31 December 2016

	31-Dec-2016 Audited Kshs'000	31-Dec-2015 Audited Kshs'000
Revenue	4,815,327	4,488,399
Total Operating Costs	(4,411,051)	(4,694,449)
Other Income	98,918	(26,113)
Finance Costs (net)	(233,719)	(163,638)
Profit/(loss) before taxation	269,475	(395,801)
Taxation (expense)/credit	(70,954)	106,198
Profit/(loss) after tax	198,521	(289,603)
Earnings per share Basic- Kshs	2.14	(2.95)
Earnings per share Diluted- Kshs	2.14	(2.95)
Dividend per Share - Kshs	-	-

### GROUP RESULTS

The Group continues to maintain a strong hold in the media industry by providing its customers with strong media platforms; Print, TV, Radio, Digital and Outdoor. The Group's broadcast business segment was on a recovery mode in 2016 after the digital migration in 2015.

The Group turnover increased by 7% compared to 2015 to close at Kshs.4.8 billion. Revenue increase was mainly from TV and Radio segments. TV revenue increase is largely attributable to stable revenues over the year as the business stabilized. Radio revenue also increased due to strong leadership position and wider presence. Revenue from print business remained relatively stable for the year under review against 2015.

The Group direct costs closed at Kshs. 1.3 billion while overhead costs declined by 12% in the period to close at Kshs. 3 billion from Kshs 3.5 billion reported in 2015. The cost optimization measures put in place by management continue to bear fruit as reflected in the reduction.

The Group closed the year 2016 at a profit after tax of Kshs. 199 million against a loss after tax of Kshs. (290) million in 2015.

#### Outlook 2017

The Board is confident that the Group is well equipped to withstand the existing industry challenges and attain sustainable growth and therefore continue to post good results.

The Group has embarked on a strategic plan whose main focus is to; grow the broadcast and digital platform segments, strengthen our digital footprint, diversify customer offerings and enhance a performance driven workplace culture to promote efficiency and effectiveness in product and service delivery.

#### Dividends

The Board does not recommend a dividend payment in the year, to allow further investment in our broadcast business.

#### BY ORDER OF THE BOARD

Millicent Ng'etich  
Company Secretary  
3<sup>rd</sup> March 2017

### Consolidated Statement of Financial Position as at 31 December 2016

	31-Dec-2016 Audited Kshs'000	31-Dec-2015 Audited Kshs'000
<b>ASSETS</b>		
Non Current Assets	2,403,240	2,651,168
Current Assets	2,001,691	1,704,446
<b>Total Assets</b>	<b>4,404,931</b>	<b>4,355,614</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	1,428,014	1,252,721
Capital Redemption Reserve	102	102
	1,876,150	1,700,857
Non-controlling interest	199,944	176,716
Total Shareholders' Equity	2,076,094	1,877,573
Non Current Liabilities	616,934	690,796
Current Liabilities	1,711,903	1,787,245
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,404,931</b>	<b>4,355,614</b>

### Condensed Consolidated Statement of Cashflow for the year ended 31 December 2016

	31-Dec-2016 Kshs'000	31-Dec-2015 Kshs'000
<b>Cashflow from operating activities</b>		
Cash generated from operations	756,406	128,650
Interest Paid	(233,719)	(163,638)
Tax paid	(33,361)	(77,256)
<b>Net cash generated from operating activities</b>	<b>489,326</b>	<b>(112,244)</b>
Cashflows: Investing activities	(189,385)	(452,093)
Cashflows: Financing activities	(149,701)	393,267
Net increase/(Decrease) in cash and cash equivalents	150,240	(171,070)
Cash and cash equivalents at the beginning of the year	(450,402)	(279,332)
<b>Cash and cash equivalents at the end of the year</b>	<b>(300,162)</b>	<b>(450,402)</b>

### Consolidated Statement of Changes in Equity for the year ended 31 December 2016

	Share Capital Kshs'000	Share Premium Kshs'000	Capital Redemption Reserve Kshs'000	Retained Earnings Kshs'000	Attributable to equity holders of parent Kshs'000	Non controlling Interest Kshs'000	Total Shareholders' equity Kshs'000
As at 1 January 2015	408,654	39,380	102	1,534,491	1,982,627	225,416	2,208,043
Profit for the year				(240,903)	(240,903)	(48,700)	(289,603)
Dividend Paid				(40,867)	(40,867)		(40,867)
At 31 December 2015	408,654	39,380	102	1,252,721	1,700,857	176,716	1,877,573
As at 1 January 2016	408,654	39,380	102	1,252,721	1,700,857	176,716	1,877,573
Profit for the year				175,293	175,293	23,228	198,521
Dividend Paid							
At 31 December 2016	408,654	39,380	102	1,428,014	1,876,150	199,944	2,076,094

*[Handwritten signatures and dates]*  
03/02/17      3/3/17