

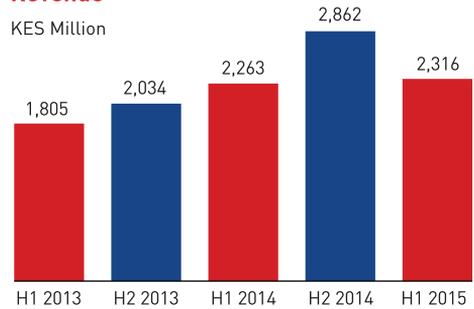


UNAUDITED GROUP RESULTS
FOR SIX MONTHS ENDED 30TH JUNE 2015

Figures in KES'000	H1 2015	H1 2014
Revenue	2,316,415	2,263,371
Operating and administrative expenses	(2,260,731)	(2,100,986)
Other income	7,308	9,644
Net interest income	193,799	111,727
Foreign exchange gain / (loss)	28,621	(29,903)
Profit before tax	285,412	253,853
Tax charge	(100,078)	(71,163)
Profit for the period	185,334	182,690
Other comprehensive (loss) / income	(10,951)	3,914
Total comprehensive income for the period	174,383	186,604
Profit attributable to:		
Equity holders of the parent company	163,960	158,428
Non-controlling interests	21,374	24,262
	185,334	182,690
Total comprehensive income attributable to:		
Equity holders of the parent company	164,114	162,643
Non-controlling interests	10,269	23,961
	174,383	186,604
Basic and diluted earnings per share (KES)	0.43	0.42

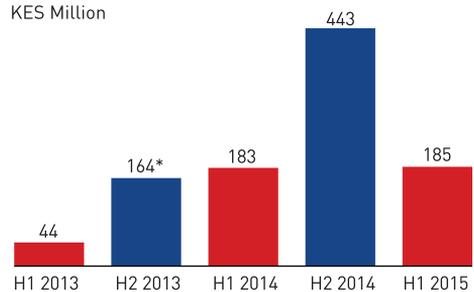
Revenue

KES Million



Profit After Tax

KES Million



* Excludes accounting gain of KES 624million.

Management observations

The Board of Directors hereby announce the unaudited results of the Group for the six months period ended June 30, 2015. Revenue increased by 2.3% over the corresponding prior year period to KES2,316m. On a constant currency basis the business delivered revenue growth of 6.5%, but due to the continuing pressures on the currencies in the countries in which we operate our overall growth rate was reduced to 2.3%. Growth came from a combination of organic growth from our existing agencies, plus the benefit of new entities in Nigeria, Uganda and Zambia that were opened in the later part of 2014 and early 2015.

The cost base grew by 7.6% as a result of our focus to expand into new geographies and to develop new service offerings. We will start to see a greater return on these investments in the second half of 2015.

Interest income has grown from KES112m to KES194m as a result of our strong improvement in working capital during 2014. This improvement has continued into H1 2015 and as a result our average cash position during H1 2015 was KES1.5bn higher than H1 2014.

Overall Profit before tax has increased by 12.4%. Due to conservative tax estimates Profit after tax grew by 1.4% and the EPS marginally increased to KES0.43.

Outlook for rest of the year

The Group's businesses have grown during H1 2015 as reflected by 6.5% revenue growth (excluding the effect of exchange rates). This growth is expected to continue during the second half of the year and in line with prior years, operating profit margin will also improve. Higher interest income will continue to improve our PBT and further enhance our PBT margin.

Accounting Policies

The accounting policies used in preparing these financial statements are consistent with those used for the Group's 2014 annual financial statements.

Dividends

The Board of Directors do not recommend an interim dividend.

By Order of the Board

Reuben Mwangi
Company Secretary
23 July 2015



**Unaudited Consolidated Statement of Profit or Loss and other comprehensive Income
for six month ended 30 June 2015**

All figures in KES'000	H1 2015	H1 2014
Billings	7,374,849	8,178,414
Direct costs	(5,058,434)	(5,915,043)
Revenue	<u>2,316,415</u>	<u>2,263,371</u>
Interest income	193,799	111,727
Other income	7,308	9,644
Operating and administrative expenses	(2,260,731)	(2,100,986)
Foreign exchange gain / (loss)	28,621	(29,903)
Profit before tax	<u>285,412</u>	<u>253,853</u>
Tax charge	(100,078)	(71,163)
Profit for the year	<u>185,334</u>	<u>182,690</u>
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange difference on translating foreign operations	(10,951)	3,914
Total comprehensive income for the year	<u><u>174,383</u></u>	<u><u>186,604</u></u>
Profit attributable to:		
Equity holders of the parent company	163,960	158,428
Non-controlling interests	<u>21,374</u>	<u>24,262</u>
	<u><u>185,334</u></u>	<u><u>182,690</u></u>
Total comprehensive income attributable to:		
Equity holders of the parent company	164,114	162,643
Non-controlling interests	<u>10,269</u>	<u>23,961</u>
	<u><u>174,383</u></u>	<u><u>186,604</u></u>
Basic and diluted earnings per share (KES)	0.43	0.42



Unaudited Consolidated Statement of Financial Position as at 30 June 2015

All figures in Sh'000	30 June 2015	31 December 2014
ASSETS		
<i>Non-current assets</i>		
Equipment	486,345	517,246
Investment in associates and other equity investments	4,456	4,274
Deferred tax asset	296,139	227,190
Goodwill	1,612,235	1,612,235
	<u>2,399,175</u>	<u>2,360,945</u>
<i>Current assets</i>		
Trade and other receivables	5,726,728	6,765,229
Receivable from related parties	47,371	49,945
Work-in-progress	29,604	30,228
Tax recoverable	532,743	281,883
Cash and cash equivalents	4,142,644	3,795,874
	<u>10,479,090</u>	<u>10,923,159</u>
Total assets	<u><u>12,878,265</u></u>	<u><u>13,284,104</u></u>
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Share capital	378,865	378,865
Share premium account	8,281,817	8,281,817
Revenue (deficit) / reserve	(186,580)	(147,545)
Translation reserve	(107,862)	(108,016)
Equity attributable to share holders of the holding company	8,366,240	8,405,121
Non-controlling interests	147,779	137,510
Total equity	<u>8,514,019</u>	<u>8,542,631</u>
<i>Non-current liabilities</i>		
Deferred tax liability	15,320	7,754
Loan payable to a related parties	189,309	293,710
	<u>204,629</u>	<u>301,464</u>
<i>Current liabilities</i>		
Trade and other payables	3,846,403	4,275,713
Tax payable	202,755	57,036
Payable to related parties	96,435	93,236
Dividends payable	14,024	14,024
	<u>4,159,617</u>	<u>4,440,009</u>
Total equity and liabilities	<u><u>12,878,265</u></u>	<u><u>13,284,104</u></u>



Unaudited Consolidated Statement of Changes in Equity for six month ended 30 June 2015

All amounts in KES'000

	Share capital	Share premium	Revenue deficit	Translation deficit	Attributable to share holders of the holding company	Non-controlling interests	Total
At 1 January 2014	378,865	8,296,150	(540,567)	(69,839)	8,064,609	61,841	8,126,450
Profit for the year	-	-	567,007	-	567,007	58,469	625,476
Share issue expenses	-	(14,333)	-	-	(14,333)	-	(14,333)
Acquisition of non-controlling interests	-	-	(22,439)	-	(22,439)	22,439	-
Other comprehensive income	-	-	-	(38,177)	(38,177)	(5,239)	(43,416)
Dividend declared - 2013	-	-	(151,546)	-	(151,546)	-	(151,546)
At 31 December 2014	378,865	8,281,817	(147,545)	(108,016)	8,405,121	137,510	8,542,631
At 1 January 2015	378,865	8,281,817	(147,545)	(108,016)	8,405,121	137,510	8,542,631
Profit for the year	-	-	163,960	-	163,960	21,374	185,334
Other comprehensive income	-	-	-	154	154	(11,105)	(10,951)
Dividend declared - 2014	-	-	(202,995)	-	(202,995)	-	(202,995)
At 31 December 2015	378,865	8,281,817	(186,580)	(107,862)	8,366,240	147,779	8,514,019



Unaudited Consolidated Statement of Cash Flow for six month ended 30 June 2015

All figures in KES'000	H1 2015	H1 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	285,412	253,853
<u>Adjustments:</u>		
Depreciation	69,536	65,999
Amortisation of intangible assets	-	2,880
Gain on disposal of equipment	(1,663)	(49)
Unrealised foreign exchange (gain) / loss	(5,400)	31,661
Interest income	(193,799)	(111,727)
Cash generated from operations before working capital changes	<u>154,086</u>	<u>242,617</u>
<u>Movement in working capital</u>		
Decrease in trade and other receivables	1,038,501	187,905
Decrease / (increase) in work-in-progress	624	(5,658)
(Decrease) / increase in trade and other payables	(429,310)	17,049
Increase in related party balances	<u>5,773</u>	<u>-</u>
	615,588	199,296
Cash generated from / (used in) operating activities	769,674	441,913
Tax paid	(266,602)	(163,298)
Net cash generated from / (used in) operating activities	<u>503,072</u>	<u>278,615</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(36,972)	(56,067)
Proceeds on sale of equipment	-	2,041
Expenses related to acquisition of non-controlling interests	-	(14,333)
Interest income received	193,799	111,727
Net cash used in investing activities	<u>156,827</u>	<u>43,368</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(202,995)	(83,214)
Loan from related party repaid	(104,401)	-
Net cash used in financing activities	<u>(307,396)</u>	<u>(83,214)</u>
Net increase / (decrease) in cash and cash equivalents	<u>352,503</u>	<u>238,769</u>
<u>MOVEMENT IN CASH AND CASH EQUIVALENTS</u>		
Cash and cash equivalents at the beginning of the period	3,795,874	2,795,611
Increase / (decrease) during the period	352,503	238,769
Effect of fluctuations in exchange rates	(5,733)	(8,164)
Cash and cash equivalents at end of the period	<u>4,142,644</u>	<u>3,026,216</u>