



SCANGROUP

GROUP UNAUDITED RESULTS FOR SIX MONTHS PERIOD ENDED 30TH JUNE 2011

all amounts in Ksh'000

Particulars	30th June 2010	30th June 2011	31st December 2010
	(Six months)	(Six months)	(Twelve months)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Billings	3,290,069	5,605,946	11,363,839
Revenues	816,514	1,527,124	2,345,554
Investment Income	54,146	71,476	172,170
Profit before Taxation	265,543	520,951	838,396
Taxation	(65,253)	(146,405)	(197,811)
Profit for the period after Tax	200,290	374,546	640,585
Other Comprehensive income:			
Currency translation differences	(3,754)	(3,541)	5,684
Gains on Revaluation of available for sale assets	107,623	-	22,141
Total Comprehensive Income for the period	304,159	371,005	668,410
Profit after tax attributable to :			
Equity holders of the company	197,585	304,963	578,587
Minority Interest	2,705	69,583	61,998
Total	200,290	374,546	640,585
Total Comprehensive Income attributable to :			
Equity holders of the company	301,454	301,422	606,412
Minority Interest	2,705	69,583	61,998
Total	304,159	371,005	668,410
Basic earning per share (EPS - Ksh, refer to Notes below)	0.74	1.07	2.13
Diluted earnings per share (Ksh)	0.74	1.07	2.13
Weighted average number of shares in issue : (refer to Notes below)	268,154,510 shares	284,500,008 shares	271,368,855 shares

Notes:

1. EPS calculated on Profit after tax attributable to shareholders and based on weighted average number of shares

2. The Company issued 47,464,855 bonus shares in the proportion of 1 new ordinary share for every 5 fully paid up ordinary shares held on 25th May, 2011. Consequently prior period EPS has been restated to reflect the same.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30th June 2010	As at 30th June 2011	As at 31st December 2010
ASSETS			
Equipment	107,180	225,197	221,491
Goodwill	83,548	315,671	315,671
Other non current assets	6,333	88,559	88,559
Government of Kenya Securities	636,620	-	265,818
Current Assets	3,509,442	6,462,426	7,117,892
Total Assets	4,343,123	7,091,853	8,009,431

EQUITY AND LIABILITIES

Share Capital	220,690	284,789	234,570
Share Premium	1,328,105	1,754,388	1,680,666
Revenue Reserve	867,759	1,387,597	1,248,761
Investment revaluation reserve	142,055	-	56,573
Translation Reserve	(13,660)	(7,762)	(4,222)
Equity settled employee benefits reserve	-	-	40,625
Total Shareholder's Fund	2,544,949	3,419,012	3,256,973
Minority Interest	15,087	390,414	320,831
Non - Current Liabilities	9,795	326,404	191,143
Current Liabilities	1,773,292	2,956,023	4,240,484
Total Equity and Liabilities	4,343,123	7,091,853	8,009,431

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	30th June 2010	30th June 2011	31st December 2010
Cash generated from operations	189,441	(747,023)	1,200,564
Taxation paid	(84,158)	(181,638)	(187,712)
Net cash generated from operating activities	105,283	(928,660)	1,012,852
Net cash used in investing activities	38,123	263,134	328,659
Net cash generated from / (used in) financing activities	(5,297)	58,265	123,051
Increase / (decrease) in cash and cash equivalents	138,109	(607,261)	1,464,562

Movement in Cash and Cash Equivalent

At the beginning of the period	676,768	2,178,652	676,768
Increase / Decrease during the year	138,109	(607,261)	1,464,562
Effect of exchange rates	(3,754)	(3,541)	3,822
Cash balance acquired on acquisition of Ogilvy entities	-	-	33,500
Increase / (decrease) in cash and cash equivalents	811,123	1,567,850	2,178,652

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium account	Revenue Reserve	Investment Revaluation	ESOP Reserve	Translation Reserve	Minority Interest	Total
As at Dec 2010	234,570	1,680,666	1,248,761	56,573	40,625	(4,221)	320,831	3,577,805
Issue of new shares	2,754	80,562	-	-	-	-	-	83,316
Reversal of ESOP	-	40,625	-	-	(40,625)	-	-	-
Issue of Bonus shares	47,465	(47,465)	-	-	-	-	-	-
Net Profit for the period	-	-	304,963	-	-	-	69,583	374,546
Dividend declared	-	-	(166,127)	-	-	-	-	(166,127)
Reversal of Investment Revaluation	-	-	-	(56,573)	-	-	-	(56,573)
Other Comprehensive income / (Losses)	-	-	-	-	-	(3,541)	-	(3,541)
As at 30th June 2011	284,789	1,754,388	1,387,597	-	-	(7,762)	390,414	3,809,426
As at Dec 2009	220,690	1,328,105	780,519	34,432	-	(9,906)	12,382	2,366,222
Dividend paid	-	-	(110,345)	-	-	-	-	(110,345)
Other Comprehensive income / (Losses)	-	-	-	107,623	-	(3,754)	-	103,869
Net Profit for the period	-	-	197,585	-	-	-	2,705	200,290
As at 30th June 2010	220,690	1,328,105	867,759	142,055	-	(13,660)	15,087	2,560,036

Basis of preparation

The condensed interim consolidated comprehensive income statements have been prepared in accordance with international accounting standard (IAS) 34 on Interim Financial Reporting. The accounting policies are consistent with those used for the group's 2010 annual financial statements.

DIRECTORS COMMENTS:

Highlights :

Revenues Up by 87%
 Profit Before Tax Up by 96%
 Profit After Tax Up by 87%

The Financial results for the six months period to 30th June 2011 include consolidation of the Ogilvy entities which were acquired in October 2010. Profit Before Tax is after accounting for gain from sale of Government of Kenya Securities of Ksh 35.6 Million (30th June 2010: nil).

Dividends :

The Board of Directors do not recommend an interim dividend for the year 2011.

By Order of the Board

M. M. Kipchumba
 Company Secretary
9th August 2011

SCANGROUP LIMITED				
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
Particulars	30th June 2010	30th June 2011	% Change over June 2010	31st December 2010
	(Six months)	(Six months)	(Six months)	(Twelve months)
	Kshs'000	Kshs'000	%	Kshs'000
Billings	3,290,069	5,605,946	70%	11,363,839
Cost of Sales	(2,473,555)	(4,078,822)	65%	(9,018,285)
Revenues	816,514	1,527,124	87%	2,345,554
Other operating income	573	1,378	140%	899
Overheads:				
Administrative Expenses	(568,566)	(977,866)	-72%	(1,515,076)
Operating Expenses	(56,437)	(113,236)	-101%	(171,200)
Finance Cost/Exchange (loss)/gain	19,314	12,076	37%	6,049
Investment income	54,146	71,476	32%	172,170
Profit before Taxation	265,544	520,951	96%	838,396
Taxation	(65,253)	(146,405)	-124%	(197,811)
Profit after taxation	200,291	374,546	87%	640,585
Other Comprehensive income:				
Gains/Losses recognised directly in Equity				
Currency translation differences	(3,754)	(3,541)	6%	5,684
Gains on Revaluation of available for sale assets	107,623	---	100%	22,141
Total Comprehensive Income for the period	304,160	371,005	22%	668,410
Profit attributable to :				
Equity holders of the company	197,585	304,963	54%	578,587
Non Controlling interest	2,705	69,583	2472%	61,998
Total	200,290	374,546	87%	640,585
Total Comprehensive Income attributable to :				
Equity holders of the company	301,455	301,422		606,412
Non Controlling interest	2,705	69,583		61,998
Total	304,160	371,005	22%	668,410
	Ksh	Ksh	Ksh	Ksh
Basic earning per share (restated)	0.74	1.07	45%	2.13
Diluted earnings per share	0.74	1.07	45%	2.13
Number of shares in issue (restated) - Note	268,154,510	284,500,008		271,386,855

Note: The Company issued 47,464,855 bonus shares in the proportion of 1 new ordinary share for every 5 fully paid up ordinary shares held in 2011. Consequently, as per IAS 33, prior period EPS has been restated to reflect the same.

SCANGROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Ksh'000	30th June 2010	30th June 2011	31st December 2010
Non-Current Assets			
Equipment	107,180	225,197	221,492
Deferred tax asset	6,333	88,559	88,559
Goodwill	83,548	315,671	315,671

	197,060	629,428	625,722
Current Assets			
Trade & other receivables	2,688,205	4,887,221	4,856,416
Work in progress	10,115	7,356	61,672
Investment in Government Securities	636,620	---	265,818
Bank Deposits	500,696	750,748	1,512,547
Cash and Bank balances	310,427	817,101	687,257
	4,146,062	6,462,426	7,383,710
Total Assets	4,343,122	7,091,854	8,009,432
Capital and Reserves			
Share Capital	220,690	284,789	234,570
Share Premium	1,328,105	1,754,388	1,248,761
Revenue Reserves	850,898	1,379,835	1,680,666
Investment revaluation reserve	142,055	---	56,573
Equity settled employee benefits reserve	---	---	40,625
Translation Reserve	3,200	---	(4,221)
Equity attributable to equity holders of the parent	2,544,948	3,419,012	3,256,974
Non controlling interest	15,087	390,414	320,831
Total Equity	2,560,035	3,809,427	3,577,805
Non-Current Liabilities			
Loan due to a related party	9,795	326,404	186,937
Deferred Taxation	---	---	3,694
Finance Leases	---	---	512
	9,795	326,404	191,143
Non Controlling interest			
Trade and other payables	1,656,796	2,912,736	4,141,174
Due to related companies		---	
Finance Leases	---	---	2,394
Bank Overdraft	---	---	21,152
Non Controlling interest	---	9,796	69,767
Dividend Payable	116,496	33,492	5,996
	1,773,292	2,956,023	4,240,483
Total Equity and Liabilities	4,343,122	7,091,854	8,009,432

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Ksh'000	Share capital	Share premium account	Revenue reserve	Revaluation reserve	Translation reserve	Equity settled employee benefit reserve	Non controlling interest	Total Equity
As at Dec 2010	234,570	1,680,666	1,248,761	56,573	(4,221)	40,625	320,831	3,577,805
Issue of new shares (ESOP)	2,754	80,562	---	---	---	---	---	83,316
Reversal of reserves arising from share based payments	---	40,625	---	---	---	(40,625)	---	---
Issue of Bonus shares	47,465	(47,465)	---	---	---	---	---	---
Net Profit for the period	---	---	304,963	---	---	---	69,583	374,546
Dividend declared	---	---	(166,127)	---	---	---	---	(166,127)
Reversal of Investment Revaluation	---	---	---	(56,573)	---	---	---	(56,573)
Other Comprehensive income/Losses	---	---	---	---	(3,541)	---	---	(3,541)
As at 30th June 2011	284,789	1,754,388	1,387,596	---	(7,762)	---	390,414	3,809,427
As at Dec 2009	220,690	1,328,105	780,519	34,432	(9,906)	---	12,382	2,366,222
Dividend paid	---	---	(110,345)	---	---	---	---	(110,345)
Other Comprehensive income/Losses	---	---	---	107,623	(3,754)	---	---	103,869
Net Profit for the period	---	---	197,585	---	---	---	2,705	200,290
As at 30th June 2010	220,690	1,328,105	867,759	142,055	(13,660)	---	15,087	2,560,035

SCANGROUP LIMITED**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW**

In Ksh'000

OPERATING ACTIVITIES	30th June 2010	30th June 2011	31st December 2010
Cash generated from operations	189,441	(747,023)	1,200,564
Taxation paid	(84,158)	(181,638)	(187,712)
Net cash generated from operating activities	105,283	(928,660)	1,012,852
INVESTING ACTIVITIES			
Purchase of equipment	(17,077)	(36,873)	(153,249)
Proceeds from sale of equipment	---	---	2,915
Acquisition of Ogilvy entities (cash portion)	---	---	(53,609)
Funds from sale of Treasury Bonds	---	246,389	368,965
Interest received from investments	55,201	53,618	163,637
Net cash used in investing activities	38,123	263,134	328,659
FINANCING ACTIVITIES			
New Share capital (ESOP)	---	83,316	---
Dividends paid to equity holders of parent company	(1,467)	(138,631)	(111,967)
Hire Purchase Loans repaid	(3,830)	(2,906)	(3,446)
Loan and capital received from other shareholder	---	116,486	238,464
Net cash generated from financing activities	(5,297)	58,265	123,051
Increase / (Decrease) in cash and cash Equivalents	138,109	(607,261)	1,464,562
Movement in Cash and Cash Equivalents			
At the beginning of the year	676,768	2,178,652	676,768
Increase / (Decrease) during the year	138,109	(607,261)	1,464,562
Effect of fluctuations in exchange rates	(3,754)	(3,541)	3,822
Cash balance acquired on acquisition of Ogilvy entities			33,500
Cash and cash equivalent at the end of period	811,123	1,567,850	2,178,652