

**SCANGROUP LIMITED****NOTICE OF THE ANNUAL GENERAL MEETING 2012**

Notice is hereby given that the 2012 Annual General Meeting of Scangroup Limited will be held at the Bomas of Kenya, Langata Road, Nairobi, Kenya on Thursday 31st May 2012 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

- To read the Notice convening the meeting.
- To receive, consider and adopt the Balance Sheet and Accounts for the year ended 31st December 2011 together with the reports of the Directors and Auditors thereon.
- To consider and approve a first and final dividend totaling Sh. 199,352,390 being Sh. 0.70 per share for the year ended 31st December 2011 payable on or about 30th June 2012 to Shareholders on the Register of Members at the close of business on 31st May 2012.
- To approve the remuneration of the Directors as provided in the accounts for the year ended 31st December 2011.
- To re-elect Directors:
In accordance with Article 93 of the Company's Articles of Association, Mr. David Hutchison retires by rotation and, being eligible, offers himself for re-election.
- To note that Deloitte & Touche continue in office as auditors of the Company in accordance with the provisions of Sec. 159(2) of the Companies Act and to authorize the Directors to set their remuneration for the ensuing financial year.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following Ordinary Resolution:

- THAT Article 91 of the Company's Articles of Association be amended to increase the maximum number of Directors from seven to nine so as to read as follows:
"Unless and until otherwise from time to time determined by an ordinary resolution of the Company, the number of Directors (excluding alternates) shall not be less than Five (5) nor more than Nine (9) in number. If at any time the number of Directors falls below the minimum number fixed by or in accordance with these Articles, the remaining Directors may act for the purpose of convening a general meeting or for the purpose of bringing the number of Directors to such minimum, and for no other purpose".

BY ORDER OF BOARD

Margaret M. Kipchumba
Company Secretary
17th April 2012
Nairobi

Notes:

- A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member of the Company. A Proxy form may be downloaded from the Company's website, www.scangroup.biz, or obtained from the Registrar, Comprite Kenya Limited, 8th Floor, Rehani House, Kenyatta Avenue, Nairobi - P.O. Box 63428-00619 Nairobi. To be valid, a Proxy Form must be duly completed by a Member and must either be lodged with the Registrar at the above given address or posted so as to reach the Registrar not later than 11.00 a.m. on Tuesday 29th May 2012.
- In accordance with Articles 152 & 148 of the Company's Articles of Association, a copy of the entire Annual Report and financial statements may be viewed on our website, www.scangroup.biz, or obtained from the Registrar's office at the address given above. An abridged set of the financial statements has been published with this Notice.
- Registration of Members and proxies attending the Annual General Meeting will commence at 8 a.m. on 31st May 2012 and will close at the conclusion of the meeting. Members and proxies will be required to produce a national identity card, a passport or other acceptable means of identification. CDS account numbers or Member numbers will also be required for ease of the registration process.
- Courtesy transport will be provided for Members between 7.30 a.m. to 10.15 a.m. from town (pick-up and drop-off points: behind Kencom House - Moi Avenue, Nairobi) to the venue of the meeting and back to town at the conclusion of the meeting.

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS**To the Members of Scangroup Limited**

The accompanying summary financial statements, which comprise the consolidated statement of financial position as at 31st December 2011 and the consolidated statement of comprehensive income are derived from the audited financial statements of Scangroup Limited and its subsidiaries for the year ended 31st December 2011. We expressed an unqualified audit opinion on those financial statements in our report dated 17th April, 2012.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Scangroup Limited and its subsidiaries.

Directors' Responsibility for the Summary Financial Statements

Directors are responsible for the preparation of a summary of the audited financial statements in accordance with Article 148 (b) of the company's Articles of Association.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing ISA 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Scangroup Limited and its subsidiaries for the year ended 31st December 2011 are consistent, in all material respects, with those financial statements and in accordance with Article 148(b) of the company's Articles of Association.

Deloitte & Touche
Certified Public Accountants (Kenya)
17th April 2012
Nairobi

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 Sh'000	2010 Sh'000
Billings	11,763,664	11,363,839
Direct cost	(8,166,404)	(9,018,285)
Revenue	3,597,260	2,345,554
Other income	12,842	899
Administration expenses	(2,291,242)	(1,515,076)
Operating expenses	(238,862)	(171,200)
Investment income	139,916	174,100
Foreign exchange gain	60,186	4,119
Profit before taxation	1,280,100	838,396
Taxation charge	(368,984)	(197,811)
Profit for the year	911,116	640,585
Other comprehensive income:		
Exchange difference on translating foreign operations	5,372	5,684
Fair value gains on financial assets (available for sale)	-	22,141
Total comprehensive income	5,372	27,825
Total comprehensive income	916,488	668,410
Profit attributable to:		
Equity holders of the parent company	724,965	578,587
Non-controlling interests	186,151	61,998
	911,116	640,585
Total comprehensive income attributable to:		
Equity holders of the parent company	730,380	606,412
Non-controlling interests	186,108	61,998
	916,488	668,410
	Sh	Sh
Basic earnings per share	2.55	2.13
Diluted earnings per share	2.55	2.11

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2011

	2011 Sh'000	2010 Sh'000
ASSETS		
Non current assets		
Equipment	294,593	221,491
Intangible assets	25,060	-
Kenya government securities	-	265,818
Deferred tax asset	76,027	88,559
Goodwill	315,671	315,671
	711,351	891,539
Current assets		
Taxation recoverable	134,187	30,646
Trade and other receivables	4,956,901	4,822,688
Due from related parties	6,687	3,082
Work-in-progress	32,072	61,672
Short-term bank deposits	1,971,143	1,512,547
Cash and bank balances	677,597	687,257
	7,778,587	7,117,892
Total assets	8,489,938	8,009,431
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	284,789	234,570
Share premium account	1,754,388	1,680,666
Revenue reserve	1,807,599	1,248,761
Investments revaluation reserve	-	56,573
Translation reserve	1,193	(4,222)
Equity settled employee benefits reserve	-	40,625
Equity attributable to equity holders of the parent	3,847,969	3,256,973
Non controlling interests	506,940	320,832
Total equity	4,354,909	3,577,805
Non current liabilities		
Deferred tax liability	-	3,694
Loan due to a related party	337,430	186,937
Finance leases	-	512
	337,430	191,143
Current liabilities		
Taxation payable	164,497	69,767
Due to related parties	-	642
Finance leases	-	2,394
Bank overdraft	-	21,152
Trade and other payables	3,623,330	4,140,532
Dividends payable	9,772	5,996
	3,797,599	4,240,483
Total equity and liabilities	8,489,938	8,009,431