



SCANGROUP LIMITED

GROUP AUDITED RESULTS FOR THE TWELVE MONTHS PERIOD ENDED 31ST DECEMBER 2010

All amounts in Kshs'000

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Particulars	31st December 2010	31st December 2009
Billings	11,363,839	5,920,012
Revenues	2,345,554	1,624,029
Profit Before Taxation	838,396	544,100
Taxation	(197,811)	(142,952)
Profit for the period After Tax	640,585	401,148
Other Comprehensive Income:		
Exchange difference on translating foreign operations	5,684	(5,252)
Unrealised gain arising on revaluation of assets (Available for sale)	22,141	34,432
Total Comprehensive Income for the period	668,410	430,328
Profit after tax attributable to:		
Equity holders of the company	578,587	398,500
Minority Interests	61,998	2,648
Total	640,585	401,148
Total Comprehensive Income attributable to:		
Equity holders of the company	606,412	425,537
Minority Interests	61,998	1,791
Total	668,410	430,328
Basic earning per share (EPS) (Kshs) *	2.58	1.81
Diluted earnings per share (Kshs)	2.55	1.81
Weighted average number of shares in issue: (**)	223,922,070 Shares	220,689,655 Shares

(*) EPS calculated on Profit after tax attributable to Shareholders and based on the weighted average number of shares.

(**) Share Option units outstanding at the end of the period amounted to 2,754,249. Each Option unit is equal to one ordinary share in Scangroup Limited. These units have been exercised and shares were issued on 20th January, 2011.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31st December 2010	31st December 2009
ASSETS		
Equipment	221,491	99,771
Goodwill	315,671	83,548
Other non current assets	88,559	7,387
Government of Kenya Securities	265,818	528,997
Current Assets	7,117,892	3,213,445
Total Assets	8,009,431	3,933,148
EQUITY AND LIABILITIES		
Share Capital	234,570	220,690
Share Premium Account	1,680,666	1,328,105
Revenue Reserve	1,248,761	780,519
Equity settled employed benefit reserve	40,625	-
Investment revaluation reserve	56,573	34,432
Translation Reserve	(4,222)	(9,906)
Total Shareholder Funds	3,256,973	2,353,840
Non-controlling Interests	320,832	12,382
Non current Liabilities	191,143	11,620
Current Liabilities	4,240,483	1,555,306
Total Equity and Liabilities	8,009,431	3,933,148

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31st December 2010	31st December 2009
Cash generated / (used) from operations	1,200,564	424,526
Tax paid in the period	(187,712)	(118,512)
Net cash (used in) / generated from investing activities	328,659	(455,765)
Net cash generated from / (used in) financing activities	123,051	(132,530)
Increase / (decrease) in Cash and Cash Equivalents	1,464,562	(282,281)
Movement in Cash and Cash Equivalent:		
At the beginning of the year	676,768	964,691
Cash acquired on acquisition of Ogilvy businesses	33,500	-
Increase / (decrease) during the year	1,464,562	(282,281)
Effect of exchange rates	3,822	(5,642)
Increase / (decrease) in Cash and Cash Equivalents at the end of the year	2,178,652	676,768

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Particulars	Share Capital	Share Premium Account	Revenue Reserves	Investment Revaluation Reserve	Equity settled employee benefit Reserve	Translation Reserve	Attributable to equity holders of the parent company	Non-controlling Interests	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
As at 1st Jan 2010	220,690	1,328,105	780,519	34,432	-	(9,906)	2,353,840	12,382	2,366,222
New Shares	13,880	352,561	-	-	-	-	366,441	-	366,441
Equity settled employed benefit reserve	-	-	-	-	40,625	-	40,625	-	40,625
Net Profit for the period	-	-	578,587	-	-	-	578,587	61,998	640,585
Dividend declared	-	-	(110,345)	-	-	-	(110,345)	-	(110,345)
Other Comprehensive income/Losses	-	-	-	22,141	-	5,684	27,825	-	27,825
Non-controlling interest arising on acquisition	-	-	-	-	-	-	-	246,452	246,452
As at 31st December 2010	234,570	1,680,666	1,248,761	56,573	40,625	(4,222)	3,256,973	320,832	3,577,805
As at 1st Jan 2009	220,690	1,328,105	517,798	-	-	(5,511)	2,061,082	18,382	2,079,464
Net Profit for the period	-	-	398,500	-	-	-	398,500	2,648	401,148
Dividend declared	-	-	(135,779)	-	-	-	(135,779)	(7,791)	(143,570)
Other Comprehensive income/Losses	-	-	-	34,432	-	(4,395)	30,037	(857)	29,180
As at 31st December 2009	220,690	1,328,105	780,519	34,432	-	(9,906)	2,353,840	12,382	2,366,222

Directors Comments: The year 2010 registered a significant growth in the advertising spends across the region. Revenues were up by 44% and Profit Before Tax (PBT) increased by 54% to Kshs 838.4 Million (2009: Kshs 544.1 Million). This consolidated result includes the consolidation of the Ogilvy businesses, which were acquired in October 2010. PBT is after accounting for interest income and gain from sale of Government of Kenya Securities of Kshs 172.2 Million (2009: Kshs 92.2 Million).

Dividend and Bonus Issue:

- Proposed Dividends: The Directors recommend for approval, at the Annual General Meeting, the payment of a first and final dividend of Kshs 0.70 per share for the financial year ended 31st December 2010, subject to withholding tax where applicable. Subject to Shareholders' approval, the dividend will be paid to the Shareholders registered at the close of business on 24th May 2011. The bonus shares referred to in (2) below shall not be entitled to this dividend. The total dividend will amount to Kshs 166.13 Million (2009: Kshs 110.35 Million) and will be paid on or around 24th June, 2011.
- Issue of Bonus Shares: The Directors recommend, subject to regulatory approval and that of the Shareholders, to make a bonus issue in the proportion of 1 new ordinary share for every 5 fully paid up ordinary shares held to those Shareholders registered at the close of business on 24th May, 2011. Such new shares will rank *pari passu* in all respects with the existing shares in the Company, except that such new shares shall not be entitled to the dividend in respect of year ended 31st December, 2010 as mentioned in (1) above.

Closure of Register: Notice is hereby given that the Register of Members will be closed on 25th May, 2011 for one day for the above purposes.

Annual General Meeting: The 2010 Annual General Meeting of the Company will be held at the Bomas of Kenya on Tuesday, 24th May, 2011 at 11:00 am. Notice of the meeting will be published in due course.

By Order of the Board
Margaret M. Kipchumba
Company Secretary
18th April, 2011