



NMG Investor Briefing

2009 Results

Media of Africa for Africa

Agenda

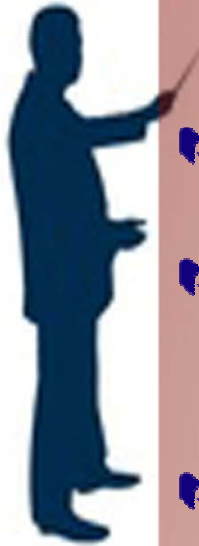
- ▣ 2009 Highlights
- ▣ Divisional Updates
- ▣ 2009 Financial Results
- ▣ FY2010 Outlook
- ▣ Q&A



2009 Highlights

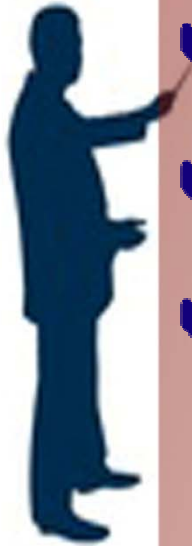
Overview

- Overall a challenging year
- EAM joint venture discontinued
- Closure of Daily Metro in April
- Launch of new TV station in Dec 2009: eAfrica
- Extended coverage for NTV Uganda (80%)
- Business Daily sponsored Top 100 SMEs survey
- New press for MCL (US\$3.4M)
- Content re-vamp for The EastAfrican



Overview

- Newspapers In Education (NiE) launch
- Increased efficiency and driver safety as a result of outsourcing to GM
- High newsprint prices in H1 2009
- Reduced advertising volumes
- Increased competition
- Media Legislation





Divisional Updates

Nation Newspapers Division

Advertising Revenue



3%

Total Revenue



2%

Direct Costs



19%

- Direct cost affected by high newsprint prices in H1
- Overheads in line with 2008



Nation Broadcasting Division

- Easy FM remains the #1 English station
- NTV station re-launch
- QFM now the 3rd most tuned in station in the country (Steadman Synovate)
- Easy FM live on the internet (easyfm.co.ke)



Monitor Publications Ltd

Daily MONITOR

TRUTH EVERYDAY

Newspaper Revenue



2%

K FM

Radio Revenues



43%

Radio Operating
Results



500%



Better information best Music

ON AIR

Listen to your
pulse

93.3
LIVE!

NTV Uganda



- Roll-out into four new towns: Jinja, Mbale, Masaka & Mbarara
- Focus on market growth to continue



Mwananchi Communications Ltd

Total Revenue



3%

Circulation Revenue



12%

- ❖ Performance affected by high newsprint costs
- ❖ Advertising volumes reduction due to economic slowdown
- ❖ New press to improve performance in 2010





2009 Financial Results

H1 2009 Operating Results

Turnover



1.3%

3.8 B

Cost of Sales



34%

1 B

Overheads



0.3%

2.2 B

Profit Before Tax



23.9%

0.6 B

2009 Key Performance Drivers

Revenue

- Economic slowdown
- Discontinued JV with EAM
- Closure of Daily Metro
- Improved NTV U performance

Costs

- High newsprint prices in H1
- New investments: Africa Media, Q FM & eAfrica

2009 Full Year Operating Results

Turnover



0.7%

8.2 B

Cost of Sales



24%

2.1 B

Overheads



3.6%

4.5 B

Profit Before Tax



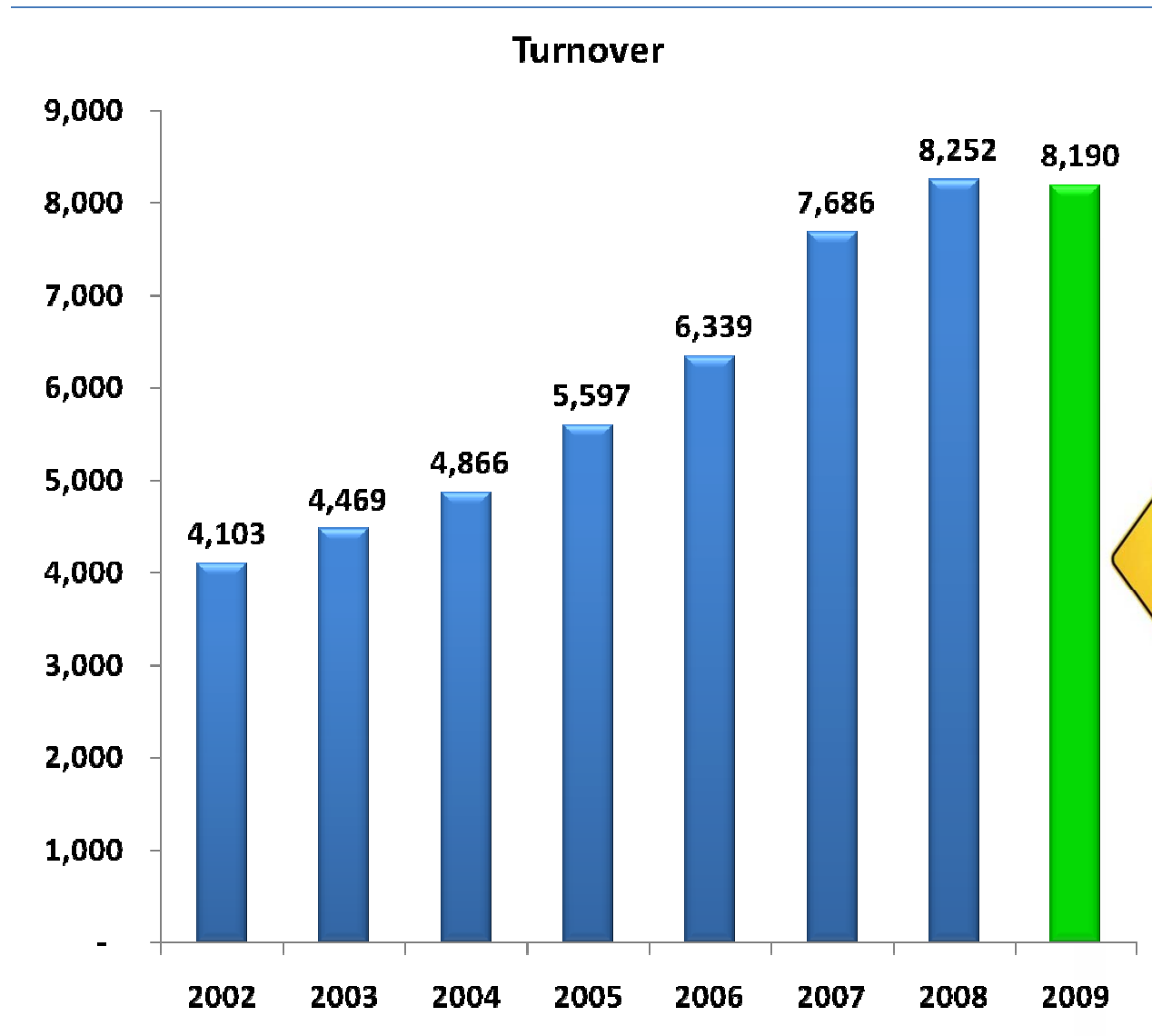
15.3%

1.6 B

Profit and Loss Account (Ksh M)

	2008	2009	% Change
Turnover	8,252	8,190	(0.7)%
Profit Before Tax	1,910	1,617	(15.3)%
Tax Expense	(614)	(498)	18.9%
Profit Attributable to Shareholders	1,298	1,103	(15)%
Earnings per Share	9.1	7.7	(15)%

Turnover: 2002 – 2009 (Ksh M)



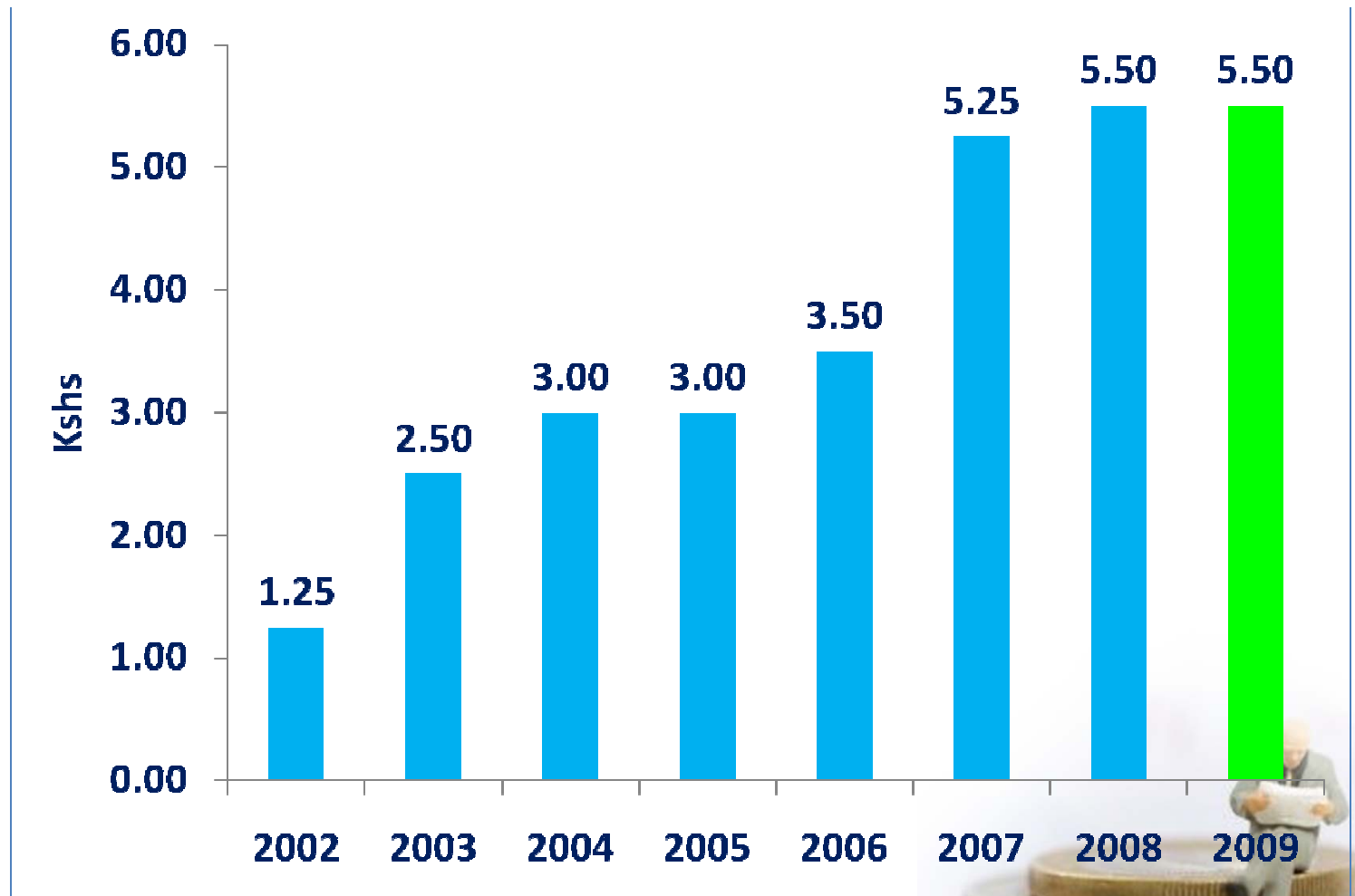
Pre-tax Profit (Kshs M)



Media of Africa for Africa



Dividend Trend (Kshs/share)



Dividend held at previous year's level



Consolidated Balance Sheet (Ksh M)

	2008	2009
Capital & Reserves		
Share Capital	356.5	356.5
Reserves	3,401	3,720
Proposed Dividends	570.4	570.4
Minority Interest	(13.1)	67.2
Total Equity	4,315	4,714
Non-current Liabilities	235.1	89.3
Total Equity & Non-current liabilities	4,550	4,803
Assets		
Non-current Assets	2,695	2,807
Current Assets	4,029	3,766
Current Liabilities	2,173	1,769
Net Current Assets	1,855	1,996
Total Assets	4,550	4,803



Condensed Cash Flow Statement (Ksh M)

	2008	2009
Net Cash from Operating Activities	910	1,519
Investing Activities	(598)	(510)
Financing Activities	(890)	(843)
Increase/(decrease) in cash	(588)	166
Opening & Closing Cash Position		
At start of year	1,915	1,306
At end of year	1,306	1,474

Cash position up 13%





NMG Share Activities

Bonus Issue

- Increase volume of tradable shares
- Reward our loyal base of retail investors
- Boost our share capital

**Bonus Issue of
1 for 10**



Cross Listing

- Grow shareholder base
- Boost visibility in our various markets
- Part of 50th Anniversary celebrations





2010 Outlook

2010 Outlook

- Year of recovery
- Optimistic of improved performance
- Focus on content improvement to continue
- Better newsprint prices
- New Media to grow
- 50th Anniversary celebration



**Thank
You**