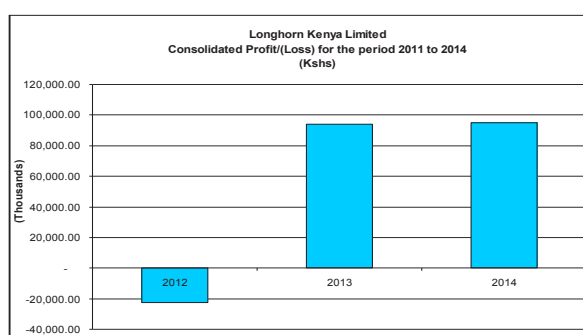
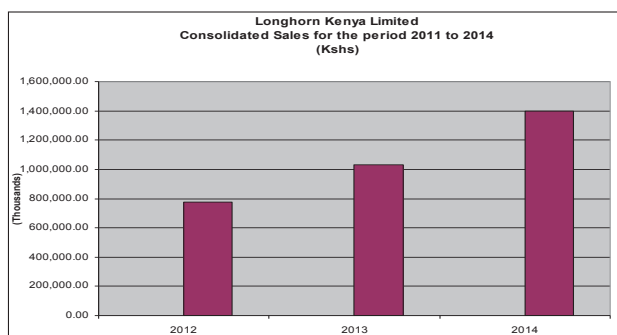


	2014 Sh'000	
TURNOVER	1,396,834	1,033,295
COST OF SALES	(717,561)	(562,214)
GROSS PROFIT	679,273	471,081
OTHER OPERATING INCOME	5,539	6,771
SELLING AND DISTRIBUTION EXPENSES	(209,580)	(80,810)
ADMINISTRATIVE EXPENSES	(307,685)	(233,992)
INTEREST INCOME	776	159
NET FOREIGN EXCHANGE LOSSES	(21,097)	(11,882)
PROFIT BEFORE TAXATION	147,226	151,327
TAXATION CHARGE	(52,293)	(57,409)
PROFIT FOR THE YEAR	94,933	93,918
OTHER COMPREHENSIVE INCOME		
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:		
Exchange difference on translation of financial operations	321	27,363
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	95,254	121,281
EARNINGS PER SHARE - BASIC AND DILUTED	1.62	1.61

	2014 Sh'000	
<b>ASSETS</b>		
<b>Non current assets</b>		
Property and equipment	165,085	169,908
Intangible assets	7,169	9,423
Deferred tax asset	26,457	21,364
	198,711	200,695
<b>Current assets</b>		
Inventories	168,763	142,522
Trade and other receivables	233,754	215,849
Tax recoverable	16,199	2,100
Cash and bank balances	130,104	123,853
	548,820	484,324
<b>Total assets</b>	<b>747,531</b>	<b>685,019</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	58,500	58,500
Share premium	5,039	5,039
Retained earnings	378,050	329,917
Translation deficit	(7,269)	(7,590)
Equity attributable to owners of the company	434,320	385,866
<b>Current liabilities</b>		
Trade and other payables	310,011	259,716
Tax payable	3,200	39,437
	313,211	299,153
<b>Total equity and liabilities</b>	<b>747,531</b>	<b>685,019</b>



The Board of Directors of Longhorn Kenya Limited is pleased to announce the audited results for the year ended 30 June 2014.

During the period, sales revenue rose to **Kshs. 1.396b**, the highest ever for the Company, compared to the previous year's **Kshs. 1.033b**. This 35% growth was fueled by export sales to Malawi, Rwanda, Tanzania and Uganda in addition to the increase in local sales. Export sales stood at **Kshs. 457.906m** which is 36.5% of the total revenue.

The Company recorded a consolidated operating profit of **Kshs 94.9M**, making a marginal percentage improvement compared to the previous year's profit of **Kshs. 93.9m**. This is attributed to the heavy distribution cost incurred in a bid to entrench the Longhorn brand in the regional markets.

To secure better profits in future, the Company has embarked on a grand strategy to grow volume sales in the export market by providing quality and differentiated learning materials. Longhorn has increased its product range in the subsidiaries to consolidate its brand position, as well as grow parental buying. The benefits of these ventures are expected to positively impact on sales growth and profitability.

Longhorn recorded great success on its entry into Zambia as all school book titles that were submitted in the government tender were approved. The Company is also progressively developing instructional materials for Malawi's new curriculum.

In Tanzania, the Company recently acquired intellectual property rights from Apex Publications in its bid to enter the English medium schools market.

In Kenya, Longhorn released the *Smart Score Encyclopedia series* and converted over 250 book titles to e-format to satiate the demand for quality products in this category. The *Comprehensive Primary Schools Atlas* was also revised to refresh its appeal and update content.

Mr Ali Hussein Kassim, the Managing Director of 3Mice, joined the Longhorn Board midyear, bringing with him immense strategic, marketing and IT acumen and experience.

Longhorn is set to acquire property in Kampala to serve as a

permanent office block. The Company also plans to enhance its performance in Rwanda by establishing a subsidiary to oversee its business. The Boards in Uganda and Tanzania have also been revitalized to ensure a regular oversight role to grow the subsidiaries' performance; with a strategy to cross-list for growth, brand localization and ownership.

The Directors recommend the payment of a final dividend of Kshs. 1.20 per share from the results for the year ended 30 June 2014 which amounts to Kshs. 70.2m. An interim dividend of Kshs. 0.80 per share, which amounted to Kshs. 46.8m was paid during the year. The total dividend for the year is therefore Kshs. 2.00 per share which totals to Kshs. 117m. This represents 150% increase compared with the dividend of Kshs. 0.8 per share (total of Kshs. 46.8m) paid in the previous year ended June 2013. Subject to the shareholders' approval at the 2014 Annual General Meeting, the dividend will be paid on or before 21 February 2015.

The Directors further recommend the approval of a bonus issue of three shares for every two shares held in the Company subject to receipt of the requisite shareholders' and regulatory approvals. The bonus shares to be issued will not be eligible for the final dividend for the year ended 30 June 2014.

The Annual General Meeting will be held on Friday, 21 November 2014.

Subject to approval of the dividend by the shareholders, the Register of Members will be closed at the close of business on 21 November 2014 for the purpose of determining shareholders' entitlement of the dividend.

The book closure date for bonus calculations will be advised after obtaining the requisite regulatory approvals.

By order of the Board

Chairman

Managing Director

Dated 25 September 2014



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