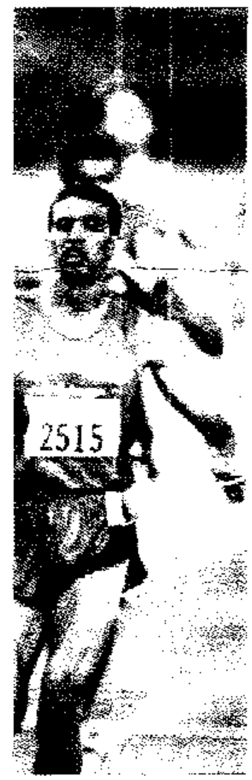
Nation Media Group Limited



Report and Accounts 2000

Repoti na Hesabu 2000

CWP-TIR47B

Contents / Yaliyomo

1. Nation media group — — periodicals
2. media group — — kenya — — periodicals

Notice of Annual General Meeting

Notice is hereby given that the Thirty Eighth Annual General Meeting of the Shareholders of Nation Media Group Limited will be held at the Nation Printing Plant, Mombasa Road, Nairobi, on Thursday 14th June 2001 at 3.00 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the accounts for the year ended 31st December 2000 and the chairman's, directors' and auditors' reports thereon.

2. To confirm the payment of the interim dividend of 11% and to approve the payment of a final dividend of 24% on the ordinary share capital in respect of the year ended 31st December, 2000.

3. To authorise the directors to fix the remuneration of the auditors Messrs. PricewaterhouseCoopers.

4. To re-elect the following directors.

   In accordance with Article 110 of the Company's Articles of Association Mr. D d'Acremont and Mr. F O Okello retire by rotation and, being eligible, offer themselves for re-election.

SPECIAL BUSINESS

5. To consider and if thought fit pass the following resolutions as Special Resolutions:

   (a) " That Mr. H H O Awori, a director who retires in accordance with Article 101 and who has attained the age of 70, shall notwithstanding that fact, be re-elected as a director of the company for a further period of three years."

   (b) " That Dr. M J Aliker, a director who retires in accordance with Article 96 and who has attained the age of 71, shall notwithstanding that fact, be re-elected as a director of the company for a further period of three years."

By order of the Board
J C Kinyua
Secretary

24th April 2001

Note: A member entitled to attend and vote may appoint a proxy to attend and vote for him on his behalf. Such proxy need not be a member of the company. To be valid, proxy forms must be deposited at the company's registered office not less than 48 hours before the appointed time of the meeting.

Tangazo la Mkutano Mkuu wa kila Mwaka

Tangazo linatolewa hapa kwamba Mkutano Mkuu wa Thelathini na Nane wa Wenyehisa wa Nation Media Group Limited utafanywa katika Nation Printing Plant, Mombasa Road, Nairobi, mnamo Alhamisi, Juni 14, 2001, kuanzia Saa 9 alasiri kwa madhumuni yafuatayo:-

SHUGHULI ZA KAWAIDA

1. Kupokea na kujadili hesabu za mapato na matumizi kwa mwaka uliomalizika Desemba 31, 2000, pamoja na taarifa za Mwenyekiti, Wakurugenzi na Wakaguzi.

2. Kuthibitisha malipo ya mgawo wa muda wa faida wa asilimia 11% na kuidhinisha malipo ya mgawo wa mwisho wa faida wa asilimia 24% kwa mtaji wa hisa ya kawaida kuhusiana na mwaka uliomalizika Desemba 31, 2000.

3. Kuwaruhusu Wakurugenzi waamue marupurupu ya wakaguzi, Messrs PricewaterhouseCoopers.

4. Kuwachagua tena Wakurugenzi wafuatao:-

   Kulingana na Fungu 110 ya Kanuni za Biashara za Kampuni, Bw D. d'Acremont na Bw F.O. Okello wanastaafu kwa zamu na, kwa sababu wanaweza kugombea tena uchaguzi, wanajitolea kusimama kuchaguliwa tena.

   SHUGHULI MAALUMU

5. Kujadili na ikionekana inafaa, kupitisha maazimio yafuatayo kama Maazimio Maalumu:-

   (a) "Kwamba Bw H.H.O. Awori, mkurugenzi anayestaafu kulingana na Fungu 101 kwa sababu ametimu umri wa miaka 70, bila kutilia maanani jambo hilo, achaguliwe tena kuwa mkurugenzi wa kampuni kwa kipindi kingine cha miaka mitatu."

   (b) "Kwamba Dkt M. Aliker, mkurugenzi anayestaafu kulingana na Fungu 96 na, ambaye ametimu umri wa miaka 71, bila kutilia maanani jambo hilo, achaguliwe tena mkurugenzi wa kampuni kwa kipindi kingine cha miaka mitatu."

Kwa Amri ya Halmashauri
J.C. Kinyua
Katibu

Aprili 24, 2001

Muhimu: Mwanachama mwenye haki ya kuhudhuria mkutano na kupiga kura anaweza kumteua mwakilishi (proxy) kuhudhuria mkutano na kupiga kura kwa niaba yake. Mwakilishi huyo si lazima awe mwanachama wa kampuni. Ili zitumike kihalali, Fomu za Uwakilishi (Proxy Forms) ni lazima kukabidhiwa Afisi ilikoandikishwa si chini ya saa 48 kabla ya saa iliyotangazwa ya kuanza mkutano.

Annual Highlights 2000

Group revenue increased by Shs. 572 million (23%) to Shs. 3.0 billion.

60% interest acquired in Monitor Publications Limited in Uganda

Nation Newspapers circulation revenue up by 9%.

Group advertising revenue exceeds Shs. 1 billion

The EastAfrican revenues grew by 19%

Operating profit at Shs. 326 million was 9% below 1999

The Nation's internet site receives 500,000 "page views" a day

Nation Carriers courier business increased by 89%

Profit attributable to shareholders was Shs. 203 million compared to Shs. 248 million in 1999

Recommended dividend total maintained at 35% for the year

Matukio Muhimo Ya Mwaka 2000

Mapato ya Kundi yaliongezeka kwa Sh.527 milioni (asilimia 23%) hadi Sh.3.0 bilioni.

Hisa asilimia 60% zilinunuliwa katika Monitor Publications Limited nchini Uganda.

Mapato kutokana na nakili zilizouzwa za Magazeti ya Nation yaliongezeka kwa asilimia 9%.

Mapato ya Kundi kutokana na matangazo magazetini yalizidi Sh.1 bilioni.

Mapato kutokana na The EastAfrican yaliongezeka kwa asilimia 19%.

FaidayakibiasharayaSh.326milioniilikuwaasilimia9%chiniya1999.

Mtandao wa mawasiliano wa Nation (Internet) ulipokea misambarao 500,000 "ya kurasa" kila siku.

BiasharayausafirishajibaruanavifurushiyaNationCarriersiliongezekakwaasilimia89%.

Faida iliyotengewa wenyehisa ilikuwa Sh.203 milioni ikilinganishwa na Sh.248 milioni mnamo 1999.

Mgawo wa faida uliojumlishwa ulidumishwa katika asilimia 35% mnamo mwaka huo.

Chairman's Statement

H H O AWORI

The Year's Events

Mr. Wilfred D. Kiboro, Nation Media Group's Chief Executive Officer, presents the East African Best CEO award to Mr. Manu Chandaria, while Mrs. Chandaria looks on.

Presidents Museveni, Moi and Mkapa join hands to signify the rebirth of the East African Community.

The Chairman of the Constitution of Kenya Review Commission, Prof. Yash Pal Ghai (centre), is all ears as Attorney-General Amos Wako (left) exchanges views with the Chairman of the Parliamentary Select Committee on Constitutional Review, Mr. Raila Odinga.

Chairman's Statement

As this is my first report to shareholders as Chairman of the Nation Media Group (NMG) I would like to start by paying tribute to my predecessor Dr. Mareka Gecaga. Dr. Gecaga retired as Chairman of the Board last September following an outstanding business career which included no less than 40 years as a director of this company, the last 5 years as Chairman. During his time, which spanned virtually the entire history of the company, he was involved in the company's growth from small beginnings to the regional and multi-media group we are today. For this we owe him an enormous debt of gratitude and wish him a happy retirement.

In economic terms the year 2000 was one of the most difficult in many years. Economic growth declined for the fifth year in a row, recording negative growth of 0.8% with drought and power rationing contributing to the country's economic woes. Nevertheless group revenues grew by 23% to Shs.3.02 billion (1999 Shs.2.45 billion). Of this increase of Kshs.572 million it is particularly pleasing to report that 60% came from our new broadcasting business together with recent acquisitions such as The Weekly Advertiser and the group's 60% interest in Monitor Publications Limited, Uganda. This rate of growth was well ahead of the average annual revenue growth rate of 9% for the previous 4 years.

Group operating profit before interest at Shs.325.7 million (Shs.357.9 million) was 9% lower than last year, whilst profit before tax at Shs.296.1 million (Shs.340.0 million) fell by 13% reflecting the increase in finance costs following the expenditure on developing the group's broadcasting division and the acquisition of Monitor Publications. Nevertheless in the circumstances, I believe that the group had another successful year and made substantial progress in its aim of becoming the leading media group throughout the East African region.

Capital expenditure in the year was held to Shs.193.2 million (Shs.408.0 million) and after allowing for the cost of The Monitor Publications acquisition net group borrowings reduced by Shs.138.5 million to Shs.24.9 million.

NATION NEWSPAPERS DIVISION

Cover prices remained unchanged during the year, nevertheless circulation revenue grew by 9% with sales of the Daily Nation and the Sunday Nation continuing to make gains in market share.

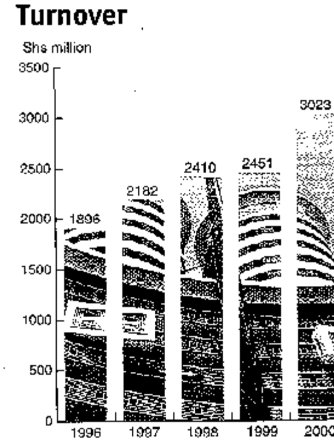
In spite of the depressed economy, sales of the Taifa Leo and Taifa Jumapili held up well whilst The EastAfrican exceeded budget in both circulation and advertising.

Further improvements were made to strengthen the content and the visual impact of magazine sections such as the Wednesday Magazine and the Weekender. The Saturday Magazine was focused more specifically at attracting the female reader. There was greater emphasis on investigative stories, the Constitutional Review debate and opinion shaping leaders together with increased regional coverage.

Print advertising volumes fell nationally by 5%. However, NMG increased its market share, thereby maintaining volumes overall and growing the important display sector by 2%. The year also saw a strong increase in demand for colour advertising in all our publications.

Despite the shilling weakening by 6.5% the increase in the costs of imported newsprint was held to 3%. Other costs were generally also well controlled thereby enabling the division to achieve an 11% increased profit contribution to the group.

Turnover



Chairman's Statement

continued

NATION CARRIERS DIVISION

Nation Carriers Division (NCD) performed extremely well with revenue growing by 13% year on year, despite the country's deteriorating infrastructure. There was a significant improvement in the latter part of the year in delivering newspapers to their destinations typically by 6.00 a.m. right across the country. This was achieved through a modern and well maintained fleet of vehicles, the use of the car-log vehicle monitoring system and extensive driver training.

The year saw excellent growth in the division's courier and third party staff transport activities which now make up 18% of the divisions revenues and contribute significantly to divisional profits. Also the use of spare capacity helps to improve vehicle utilisation.

MONITOR PUBLICATIONS LIMITED, UGANDA

As reported last year, on 16th March 2000, NMG acquired a 60% shareholding in Monitor Publications Limited (MPL). MPL which publishes Uganda's leading independent English language newspaper has settled extremely well into NMG's activities and has adopted the group editorial policy. More recently, in April this year, it launched its own radio station in Kampala, Monitor 93.3 FM. The station combines music and entertainment with talk and news; a format which makes use of the newspaper's news gathering abilities and differentiates the station from all the other largely entertainment based stations.

Following our acquisition MPL set up its own circulation department to handle distribution of the group's titles, the Daily and Sunday Monitor as well as the Daily and Sunday Nation and The EastAfrican. The advertising department has also been restructured and strengthened and the editorial and finance departments likewise. The group now appears well set for a strong performance in 2001.

NATION BROADCASTING DIVISION

The year 2000 proved to be a particularly difficult first year for both Nation Radio and Nation Television. Power rationing throughout much of the second half of the year, just as the stations were beginning to establish themselves, was most unfortunate, especially for television which in line with other broadcasters had, for an extended period, to repeat each days programmes and advertisements the following day, thereby effectively halving the revenue available.

Despite all these difficulties and problems with reception in some areas, Nation Radio achieved a small first year profit whilst Nation Television as anticipated made a first year loss. During the course of the year a number of changes in staffing and in programme style and content were made. These have already had very positive results with the number of listeners and viewers growing steadily as the programmes continue to gain market share from the competition.

We aim to increase locally made and sponsored programmes such as the highly successful Up Close and Candid. The news set has been redesigned, with breaking news stories now being shown every hour.

As reported previously NMG was awarded further radio licences as long ago as February 1999 for Mombasa, Nakuru and Kisumu with frequencies for Mombasa and Nakuru. However, on its formation, later that year Communications Commission of Kenya, withdrew these frequencies "temporarily" pending a review of the issue of all frequencies. It has since advised us that its predecessor licensing authority, Kenya Posts and Telecommunications Corporation, exceeded its authority in issuing the frequencies and has refused to reissue them. We are contesting this decision in court but this inevitably will take time.

I have again to report that due to frequent postponement of the hearings, despite managements' and our lawyers' best efforts there has been only limited progress in the past twelve months in our various cases relating to East Africa Televisions Network, which the group acquired in 1998. Nevertheless, your Board remains confident

The Year's Events

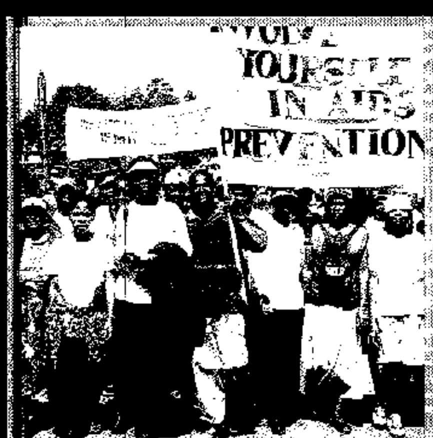
Indian star batsman Sachin Tendulkar goes for a hit during the International Cricket Council knock-out Trophy held in Nairobi on October 3.

Kenyan kings of the track celebrate after Noah Ng'eny upset Hicham El Guerrouj of Morocco to win the 1500m gold medal in the September Sydney Olympics in Australia.

Ochieng' Siranga of Tusker FC jumps over a St. Georges defender during the East and Central Africa Cup Championship at Nairobi's City Stadium.

Horse riders and a motorised procession add to the splendour of Mombasa's annual carnival.

Joyful Martha Muthee (left), Eunice Muthoni (centre) and Grace Wangare brighten up the silver jubilee ceremonies at the Buru Buru Baptist Church in Nairobi's Eastlands.



Members of the Kangemi Aids Committee march to mark the World Aids Day.

Chairman's Statement

continued

that a successful outcome will eventually be achieved and this will enable the group to develop both radio and television services countrywide.

NATION MARKETING AND PUBLISHING LIMITED

This company's main publication is a weekly free newspaper for Nairobi, The Weekly Advertiser. The paper made excellent progress during the year, and pagination increased from 16 pages to 24 pages with commensurate growth in revenues and profitability. Plans are being developed to further strengthen The Weekly Advertiser and also to relaunch the previously successful What's On later this year.

INDUSTRIAL PROMOTION BULDING LIMITED

During the year, the group's associated company Industrial Promotion Building Limited (IPB) instructed professional valuers to carry out a valuation of all the company's properties which included the recently refurbished flats at Vienna Court and the Nation Centre and IPS building in Nairobi's central business district. Whilst the consequent reduction in values was largely adjusted through reserves there was a small impact on the profit and loss account which resulted in the group's share of profits falling to Shs.14.0 million (Shs.18.2 million). Without this adjustment the group's share of profits would have risen as IPB continued to achieve good levels of occupancy from its high quality property portfolio.

DIVIDENDS

Last October a maintained interim dividend of Shs.0.55 per share (11%) was paid. Your Board now recommends a maintained final dividend of Shs.1.20 per share (24%) for approval at the Annual General Meeting. If approved, this will make a total dividend for the year of Shs.1.75 per share (35%). This is in line with last year and the dividend cover at 3.25 times compares very favourably with that of other leading publicly quoted companies.

FUTURE PROSPECTS

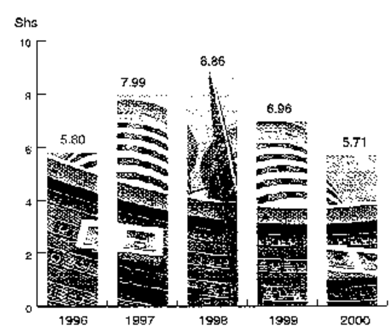
The current year has started well with performance ahead of last year. There has been good growth in sales of all the group's titles, with the EastAfrican making particularly strong gains in both circulation and advertising revenue as the paper is increasingly seen as the leading regional paper for the business community and for upmarket international advertisers.
Both Nation Radio and Nation Television are becoming ever more popular with our listeners and viewers and this is leading to a positive improvement in financial performance.

One area of concern to all media owners in Kenya, is the renewed effort being made to introduce media legislation which has the potential for restricting rather than enhancing the role of broadcasters and publishers. Through the Media Owners Association, the group's management will continue closely to monitor the situation.

The Monitor has also had an outstanding first quarter with strong gains in circulation at the time of the Presidential election. Parliamentary elections are due in June and will present a further opportunity for profitable growth.

Your Board remains confident that diversification within the Eastern African region offers the strongest prospects for profitable future growth and that this is the correct strategic decision for one of the fastest growing and most dynamic groups in this region, in order to provide long term shareholder benefit.

Earnings per Share



Chairman's Statement

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As we look ahead we aim to extend our broadcasting, particularly for radio, outside of Nairobi and to extend Monitor Radio in Uganda beyond Kampala and its environs. We will also be looking closely at the potential for newspapers and broadcasting in other countries in the region.

CORPORATE GOVERNANCE

As previously reported your Board is committed to ensuring that the group adheres to the highest standards of corporate governance. To this end the Board has appointed three Board Committees, chaired by and consisting substantially of non-executive directors. These are the Finance and Audit Committee, the Editorial Committee and the Strategic Planning Committee each of which has continued to meet on a regular formal base. Your Board has also considered the draft guidelines prepared by the Capital Markets Authority for public listed companies and expects to be in a position to comply when these become a requirement. During 2000 the activities of all three Committees have also embraced the business of the new Broadcasting division. In addition, following the acquisition of a majority shareholding in Monitor Publications Limited, similar committees have been set up in Uganda.

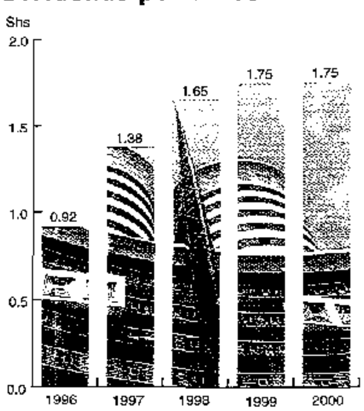
DIRECTORS AND STAFF

Finally, I would like to take this opportunity to welcome Dr. Martin Aliker, Chairman of Monitor Publications to the Board and to thank my fellow Board members, the senior management team and all members of staff for their dedicated efforts throughout the year.

I have already referred to Dr. Mareka Gecaga's outstanding contribution to the group over many years, but I would also like to take this opportunity to thank Mr. John Silvester, who retired last September and whose legal background brought clarity of thought to our deliberations on many occasions during his time on the Board. Lastly, I would like to pay particular tribute to Mr. Wilfred Kiboro who as Group Chief Executive continued to lead your company with skill, determination and great success during a challenging year.

H H O Awori
Chairman

Dividends per Share

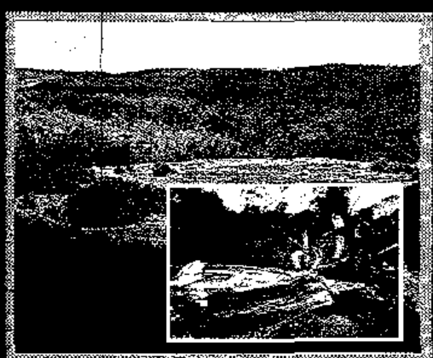


The Year's Events

A bystander protects himself from smoke as the flaming rage of a city mob destroys Our Lady Queen of Peace Church in the South 'B' area.

The low water level at the hydro-electric dam at Masinga is a telling sign of the drought during 2000.

A cow is abandoned on Langata Road in Nairobi as herders seek relief from a strangling drought.



Environmental degradation continues as the clamour for farming land increases.

The contrasting images of Aro Koriang, who became the symbol of hope for the starving people of Turkana.

Taarifa ya Mwenyekiti

Kwa sababu ripoti hii ndiyo yangu ya kwanza, kwa mujibu wangu kama Mwenyekiti wa Nation Media Group (NMG), nitaanzisha hotuba hii kwa kumpongeza na kumshukuru mtangulizi wangu, Dkt Mareka Gecaga. Dkt Gecaga alistaafu kama Mwenyekiti wa Halmashauri hii mnamo Septemba mwaka jana baada ya kutimiza wajibu wa kufana sana katika usimamizi wa amali kwa muda usio chini ya miaka 40 kama mkurugenzi wa kampuni hiii na pia kama Mwenyekiti kwa miaka mitano iliyopita.

Katika wakati wake, ulioenea kwa karibu historia yote ya kampuni hii hadi sasa, alihusika na upanuzi wa kampuni hii kuanzia asilia yake ndogo hadi ikawa kundi maarufu ya kitaifa na pia kundi maarufu la magazeti na utangazaji kama tunavyotambulika leo. Kutokana na wajibu huo, tuna deni lake kubwa la shukrani na kumtakia furaha katika ustaafu.

Katika maswala ya kiuchumi, mwaka wa 2000 ulikuwa mojawapo migumu zaidi katika miaka mingi. Upanuzi wa kiuchumi uliteremka kwa mwaka wa tano mfululizo, ukinakilisha mwelekeo wa chini wa asilimia 0.8%, huku ukame na ugawaji umeme kwa vipimo ukichangia matatizo ya kiuchumi ya nchi hii. Ingawa hivyo, mapato ya kundi yaliongezeka kwa asilimia 23% hadi Sh.3.02 bilioni (Sh.2.45 bilioni mnamo 1999).

Kuhusu ongezeko hilo la faida kwa Sh.572 milioni, inafurahisha hasa kuripoti kwamba asilimia 60% ya faida hiyo ilitokana na biashara yetu ya utangazaji pamoja na maslahi zilizonunuliwa majuzi kama vile The Weekly Advertiser na hisa asilimia 60% za kundi hili katika Monitor Publications Limited nchini Uganda. Kiwango hiki cha ufanisi kilishinda sana kiwango cha upanuzi cha mapato kwa wastani cha mwaka cha asilimia 9% katika miaka minne iliyotangulia.

Faida ya kibiashara kabla ya riba ya Sh.325.7 milioni (Sh.357.9 milioni mnamo 1999) ilikuwa asilimia 9% chini ya mwaka jana, ilhali faida kabla ya kodi ya Sh.296.1 milioni (Sh340.0 milioni mnamo 1999) iliteremka kwa asilimia 13% ikiwakilisha ongezeko katika gharama kufuatia matumizi katika ustawishaji idara ya utangazaji ya kundi hili na ununuzi wa hisa katika Monitor Publications Limited. Ingawa hivyo, katika hali hizo, naamini kwamba kundi hili lilikuwa na mwaka mwingine uliofaulu na kupata ufanisi wa maana katika lengo lake la kuwa kundi maarufu zaidi linaloongoza la magazeti na utangazaji kote katika eneo Mashariki mwa Afrika.

IDARA YA MAGAZETI YA NATION

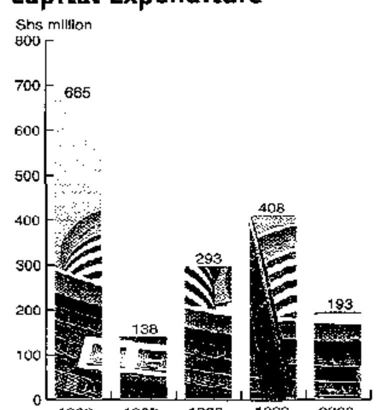
Bei za magazeti hazikuongezwa mwaka huo, ingawaje mapato kutokana na nakili zilizouzwa yaliongezeka kwa asilimia 9% huku mauzo ya Daily Nation na Sunday Nation yakiendelea kuongezeka.

Licha ya uchumi uliobonyezeka, mauzo ya Taifa Leo na Taifa Jumapili yaliendelea vyema huku The EastAfrican ikipitisha upeo wake wa bajeti katika mapato kutokana na mauzo ya nakili pamoja na matangazo yaliyochapishwa.

Maendeleo zaidi yalifanywa katika kuimarisha uchapishaji habari za kuvutia pamoja na picha katika sehemu za majarida kama vile Wednesday Magazine na The Weekender. Saturday Magazine ilipambwa kwa kusudi hasa ya kuwavutia wasomaji wa kike. Mkazo zaidi pia ulitiliwa katika habari za uchunguzi, mijadala kuhusu Marekebisho ya Kikatiba, makala kuwahusu viongozi maarufu pamoja na habari zaidi kuhusu eneo la Mashariki mwa Afrika.

Vimo vya matangazo ya kuchapishwa magazetini viliteremka kote nchini kwa asilimia 5%. Hata hivyo, NMG iliongeza mgawo wake wa matangazo iliyopokea, na

Capital Expenditure



Taarifa ya Mwenyekiti

inaendelea

IDARA YA UCUKUZI YA NATION

Nation Carriers Division (NCD) ilifanya vyema sana huku mapato yake yakiongezeka kwa asilimia 13% mwaka baada ya mwaka, licha ya hali ya barabara kuendelea kuwa mbaya. Kulikuwa na maendeleo ya kupendeza katika sehemu ya baadaye ya mwaka huo huku magazeti yakiwasili, hasa katika saa za kufanana, kufikia Saa 12 alfajiri kote nchini. Hii ilitimizwa kupitia msafara wa magari ya kisasa yaliyosimamiwa kikamilifu, utumiaji wa mpango wa uchunguzi wa magari na mafunzo maalumu ya madereva.

Mwaka huo ulishuhudia ufanisi bora katika idara hii ya shughuli za usafirishaji barua na vifurushi pamoja na magari ya kukodisha ya kusafirisha wafanya kazi wa kampuni nyingine ambazo zinawakilisha asilimia 18% ya mapato ya idara hii na kuchangia sana faida zake. Kadhalika, utumizi wa spea thabiti za kufaa pia husaidia kuimarisha matumizi ya magari.

MONITOR PUBLICATIONS LIMITED, UGANDA

Kama ilivyoripotiwa mwaka jana, mnamo Machi 16, 2000, NMG ilinunua hisa asilimia 60% katika Monitor Publications Limited (MPL) nchini Uganda. MPL ambayo inachapisha gazeti maarufu huru linalopendwa zaidi la Kiingereza nchini Uganda imetulia vyema sana katika ratiba ya maongozi ya NMG huku ikizingatia pia maongozi ya uandishi ya kundi hili.

Hivi karibuni pia, mnamo Aprili mwaka huu, MPL ilianzisha pia kituo chake cha radio mjini Kampala, Monitor 93.3 FM. Kituo hicho huandaa vipindi vya muziki na burudani pamoja na mahojiano na taarifa ya habari; mpangilio ambao hutumia vipawa vya ukusanyaji habari vya gazeti hilo na kutofautisha kituo hicho na vituo vingine vyote kama hivyo vinavyoandaa vipindi vya burudani pekee.

Baada ya ununuzi huo wa hisa, MPL ilianzisha pia idara yake ya usambazaji kusimamia ugawaji wa magazeti yake, Daily na Sunday Monitor na pia Daily na Sunday Nation pamoja na The EastAfrican. Idara ya matangazo pia imerekebishwa na kuimarishwa kama vile tu idara za uandishi na fedha. Kundi hili sasa linaelekea limejiandaa kuwa na matokeo imara mnamo 2001.

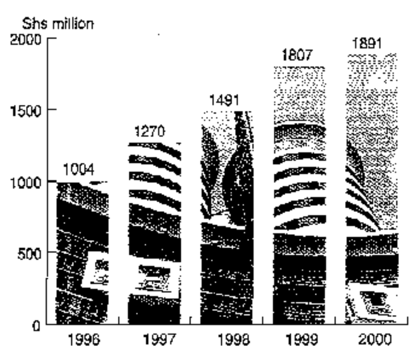
IDARA YA UTANGAZAGI YA NATION

Mwaka wa 2000 ulithibitika kuwa hasa mwaka mgumu wa kwanza wa Nation Radio na Nation Television. Ugawaji umeme kwa vipimo kote katika baadhi ya kipindi cha pili cha nusu cha mwaka huo, punde tu wakati vituo hivyo vilipokuwa vikianza kujikuza, ulisikitisha sana, hasa kwa televisheni, ambayo pamoja na vituo vingine kama hivyo vilihitajika, kwa muda fulani, kurudia keshowe kila siku vipindi na matangazo na, hivyo kupunguza kabisa kwa nusu mapato yaliyokuwapo.

Licha ya shida hizo zote na matatizo katika upokeaji wa vipindi katika sehemu nyingine, Nation Radio ilipata faida ndogo ya mwaka wa kwanza huku Nation Television ikipata hasara ya mwaka wa kwanza kama ilivyotarajiwa. Kwa jinsi mwaka huo ulivyoendelea mabadiliko kadha yalifanywa kuwahusu wafanya kazi pamoja na mapambo ya vipindi, habari na makala. Hatua hizo zimesaidia kuletea matokeo mazuri ya manufaa huku idadi ya wasikizaji na watazamaji ikiongezeka na vipindi kuendelea kuwa maarufu zaidi kutokana na ushindani.

Mafanikio ya mwanzoni ya kipindi cha vichekesho cha Reddykyullas yamefuatiwa na vipindi vingine kama vile Up Close & Candid. Tuna lengo la kuongeza vipindi

Shareholders' Fund



Matukio ya Mwaka

Catholic priests lower the casket of slain Fr. John Kaiser into the grave during burial at Lolgorian-Transmara district.

Britons Colin McRae and Nick Grist storm their way through a dusty section of the 47th Safari Rally.

A beaming Tusker FC captain Edward Karanja raises the victors' trophy at the conclusion of the East and Central Africa Club Championship Cup tournament.

Uganda's President Yoweri Museveni arrives in an armoured vehicle to address a victory rally in Kampala soon after winning another five-year term in the presidential election.

Governor George Bush on the campaign trail to become the 43rd President of the United States.

Taarifa ya Mwenyekiti

inaendelea

Sina budi tena kuripoti kwamba kutokana na uahirishaji wa mara kwa mara wa kesi zetu mbali mbali kuhusiana na EATN, tumepiga hatua ndogo sana ya ufanisi katika muda wa miezi 12 iliyopita, licha ya juhudi bora za wasimamizi na mawakili wetu. Ingawa hivyo, Halmashauri yenu ina imani kwamba matokeo ya kufaa hatimaye yatafikiwa na hayo yatawezesha kundi hili kuimarisha zaidi huduma za radio na televisheni kote nchini.

NATION MARKETING AND PUBLISHING LIMITED

Gazeti la pekee linalochapishwa na kampuni hii ni la matangazo ya kibiashara linalosambazwa bure mjini Nairobi pekee, The Weekly Advertiser. Gazeti hilo lilinakilisha ufanisi bora katika mwaka huo hivi kwamba kurasa zake zikaongezwa kutoka 16 hadi 24 kutokana na ongezeko katika mapato na faida. Matayarisho yanafanywa kuimarisha zaidi The Weekly Advertiser na pia kufufua gazeti jingine lililokuwa maarufu zamani, Whats On, baadaye mwaka huu.

INDUSTRIAL PROMOTION BUILDING LIMITED

Katika mwaka huo, kampuni shiriki ya kundi hili, Industrial Promotion Building Limited (IPB) ilishauri wataalamu wa ukadiriaji thamani ya majengo kukadiria thamani ya majengo yote ya kampuni hii, ambayo ni pamoja na majengo yaliyokarabatishwa majuzi ya orofa katika Vienna Court, Nation Centre na IPS Building katikati ya Nairobi. Ingawa thamani yao iliyoteremka baadaye, ilirekebishwa sana kutokana na akiba zilizohifadhiwa, kulikuwa na athari ndogo katika akiba ya faida na hasara ambayo ilifanya mgawo wa faida wa kundi hili kuteremka kwa Sh.14.0 milioni (Sh18.2 milioni mnamo 1999). Bila urekebishaji huo, mgawo wa faida wa kundi hili ungeongezeka huku IPB ikiendelea kupata viwango vizuri vya mapato kutokana na kodi kutoka kwa majengo yake ya kisasa ya kufana.

MIGAWO YA FAIDA

Mnamo Oktoba mwaka jana, mgawo wa muda wa faida uliodumishwa wa Sh0.55 kila hisa (asilimia 11%) ulilipwa. Halmashauri yenu sasa inapendekeza kwamba mgawo wa mwisho wa faida uliodumishwa wa Sh1.20 kila hisa (asilimia 24%) uidhinishwe katika Mkutano Mkuu wa Mwaka. Ukiidhinishwa, hii itafanya mgawo wa mwisho wa jumla wa mwaka huo kuwa Sh1.75 kila hisa) asilimia 35%). Hii inaambatana na mwaka jana na kiwango chake kilichongezeka mara 3.25 katika mwelekeo huo kimebaki juu zaidi kuliko baadhi ya kampuni nyingine zinazonukuliwa katika soko la hisa.

MATARAJIO YA BAADAYE

Mwaka wa sasa umeanza vyema huku matokeo yake ya kwanza yanayoridhisha yakiwa mbele ya mwaka jana. Kumekuwa na ufanisi katika mauzo ya magazeti yote ya kundi hili huku The EastAfrican hasa, ikipata mafanikio imara katika mapato ya usambazaji pamoja na matangazo kwa vile gazeti hilo linaanza kuheshimika kama gazeti maarufu linaloongoza la eneo la Mashariki mwa Afrika kwa wafanya biashara na watangazaji wa kisasa wa kimataifa.

Nation Radio pamoja na Nation Television zinaendelea kuwa maarufu miongoni mwa wasikizaji na watazamaji na hii insaidia katika kuleta matokeo mazuri sana yaliyoongezeka ya kifedha.

Monitor pia imekuwa na matokeo ya kufana ya kipindi cha kwanza cha robo cha mwaka ambapo ilipata mafanikio imara wakati wa uchaguzi wa urais nchini Uganda majuzi. Uchaguzi wa Bunge nchini Uganda utafanywa mnamo Juni na hii itatoa nafasi nzuri nyingine ya kupata faida zaidi.

Halmashauri yenu bado ina imani kwamba upanuzi wa biashara katika eneo la Mashariki mwa Afrika unaleta matumaini imara zaidi ya kufaidika zaidi katika siku zijazo na kwamba hatua hiyo imetokana na uamuzi mbinu thabiti za ufanisi kwa mojawapo makundi yanayoimarika zaidi na kwa haraka katika eneo hili ili hatimaye kunufaisha mwenyehisa kwa muda mrefu.

Huku tunapotazama mbele tuna lengo la kupanua huduma zetu za utangazaji, hasa kwa radio, nje ya Nairobi na kupanua

Taarifa ya Mwenyekiti

inaendelea

Monitor Radio nchini Uganda kuenea nje ya Kampala na viungani mwake. Tutachunguza pia kikamilifu uwezekano wa kuanzisha pia magazeti na huduma za utangazaji nchini Tanzania.

UTARATIBU WA USIMAMIZI WA KUNDI

Kama ilivyoripotiwa awali, Halmashauri yenu inafanya kila iwezalo kuhakikisha kwamba kundi hili linazingatia natija za juu zaidi za usimamizi wa kundi. Katika hatamu hiyo, Halmashauri hii imeunda Kamati zake tatu huru, zinazosimamiwa na kushirikisha hasa wakurugenzi wasio na mamlaka maalumu. Kamati hizo ni pamoja na Kamati ya Kifedha na Ukaguzi, Kamati ya Uandishi na Kamati ya Mbinu za Upangaji, ambazo kila mojawapo inaendelea kukutana katika msingi wa kawaida wa mara kwa mara.

Halmashauri yenu pia imechunguza mapendekezo ya maongozi yaliyotayarishwa na Halmashauri ya Hisa za Mtaji (CMA) ya kampuni zinazonukuliwa katika soko la hisa na kutarajia kwamba itaweza kuyatosheleza wakati yatakapohitajika. Mnamo 2000, shughuli za Kamati hizo zote tatu zilihusisha pia biashara ya idara mpya ya utangazaji. Pamoja na hayo, baada ya ununuzi wa baadhi ya hisa za Monitor Publications Limited, kamati kama hizo zimeundwa nchini Uganda.

WAKURUGENZI NA WAFANYAKAZI

Hatimaye, napenda kutumia fursa hii kumkaribisha Dkt Martin Aliker katika Halmashauri hii na kuwashukuru wanachama wenzangu wa Halmashauri hii, wasimamizi wakuu na wafanya kazi wote kutokana na juhudi zao za dhati katika mwaka huo.

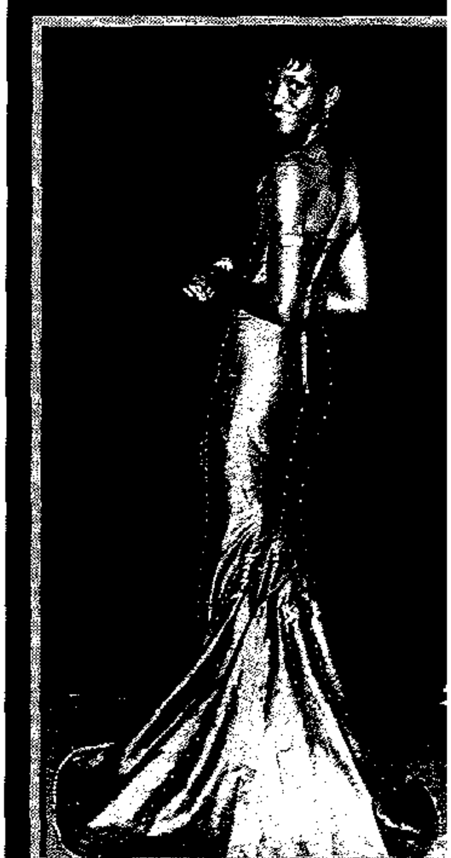
Tayari nimempongeza na kumshukuru Dkt Mareka Gecaga kutokana na wajibu wa kufana aliotimiza katika kundi hilo kwa miaka mingi, lakini pia siwezi kumsahau Bw John Silvester, aliyestaafu Septemba mwaka jana na ambaye maarifa yake katika sheria yalituletea upevu na walekevu katika mijadala yetu mara nyingi kwa muda wote ambao alikuwa katika Halmashauri hii. Mwishowe, napenda hasa kumpongeza na kumshukuru Bw Wilfred Kiboro, ambaye kama Mrasimu Mkuu wa Kundi hili, ameendelea kuongoza kampuni yenu kwa ustadi, ujuzi, ushupavu hadi kufikia mafanikio hayo makubwa katika mwaka huo mgumu.

HHOAwori

H H O Awori
Mwenyekiti

Matukio ya Mwaka

Stricken Ugandans scour through documents fo the names of relatives who may have perished i the Kanungu tragedy involving members of a doomsday cult.



From head to toe, a striking pose by Miss Kenya, Yolanda Masinde.

Board of Directors
Halmashauri ya Wakurugenzi

H H O Awori

W D Kiboro

M J Aliker

A Bekah

D d'Acremont

R C Henry

L Huebner

F O Okello

A Poonawala

G M Wilkinson

Board of Directors
Halmashauri ya Wakurugenzi

Chairman (Kenyan)	H H O Awori	Mwenyekiti (Mkenya)
(Kenyan)	B M Gecaga CBS (resigned 14 September 2000)	(Mkenya)
Chief Executive/ Managing (Kenyan)	W D Kiboro	Mrasimu mkuu/Msimamizi (Mkenya)
(Ugandan)	M J Aliker (appointed 24 April 2001)	(Muganda)
(Kenyan)	A Bekah	(Mkenya)
(French)	D d'Acremont	(Mfaransa)
(British)	R C Henry	(Mwingereza)
(American)	L Huebner	(Mmarekani)
(Kenyan)	F O Okello	(Mkenya)
(French)	A Poonawala	(Mfaransa)
(Kenyan)	J D M Silvester (resigned 14 September 2000)	(Mkenya)
(Irish)	G M Wilkinson	(Mwa-Irish)

Secretary	J C Kinyua CPS (K)	Katibu
Registered Office	Nation Centre Kimathi Street Nairobi	Afisi ilikoandikishwa
Advocates	Kaplan & Stratton Queensway House Kaunda Street Nairobi	Wakili
Auditors	PricewaterhouseCoopers The Rahimtulla Tower Upper Hill Road Nairobi	Wakaguzi wa Hesabu
Bankers	Standard Chartered Bank Kenya Limited Stanbank House Moi Avenue Nairobi	Banki

Directors' Report

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The predominant businesses of the group are the publication, printing and distribution of newspapers together with radio and television broadcasting covering Nairobi.

GROUP RESULTS

The results of the group for the year are set out in the profit and loss account on page 20.

DIVIDENDS

The directors recommend the payment of a final dividend of 24% on the issued share capital at 31 December 2000, which, together with the interim dividend of 11% paid on 25 October 2000, makes a total of 35% in respect of the year ended 31 December 2000.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects on its financial performance within the options available in Kenya to hedge against such risks.

DIRECTORS

The present board of directors is set out on page 15. All the directors other than Dr. M J Aliker, who was appointed on 24 April 2001, have been directors throughout the year.

Mr. D d'Acremont and Mr. F O Okello retire by rotation in accordance with Article 110 and, being eligible, offer themselves for re-election.

Mr. H H O Awori, a director who retires in accordance with Article 101 and who has attained the age of 70, shall notwithstanding that fact, be re-elected as a director of the company for a further period of three years.

Dr. M J Aliker a director who retires in accordance with Article 96 and who has attained the age of 71, shall notwithstanding that fact, be re-elected as a director of the company for a further period of three years.

AUDITORS

PricewaterhouseCoopers continue in office in accordance with Section 159(2) of the Companies Act (Cap 486).

Approved by the Board
J C Kinyua
Secretary

24 April 2001

Taarifa ya Wakurugenzi

Wakurugenzi wana furaha kutoa ripoti yao pamoja na taarifa za kifedha za mwaka uliomalizika Desemba 31, 2000.

SHUGHULI KUU

Biashara muhimu za kundi ni pamoja na uandishi wa habari, uchapishaji na ugawaji wa magazeti pamoja na radio na televisheni zinazopeperusha hewani matangazo mjini Nairobi pekee.

MATOKEO YA KUNDI

Matokeo ya kundi mwaka huo yamefafanuliwa kamili katika taarifa ya hesabu ya faida na hasara katika ukurasa wa 20.

MIGAWO YA FAIDA

Wakurugenzi wanapendekeza malipo ya mgawo wa mwisho wa faida wa asilimia 24% kuhusu hisa zilizotolewa za mtaji kufikia Desemba 31, 2001 ambao, pamoja na mgawo wa muda wa faida wa asilimia 11% uliolipwa Oktoba 25, 2000, unajumlisha migawo yote ya faida iliyolipwa mwaka uliomalizika Desemba 31, 2000, kuwa asilimia 35%.

SERA MAALUM ZA USIMAMIZI WA FEDHA ILI KUPUNGUZA HASARA

Kampuni hukabiliwa kila mara na hatari ya kupata hasara kutokana na biashara zake mbalimbali. Baadhi ya hatari hizi ni kutoa bidhaa kwa mikopo, kushuka kwa bei za bidhaa, viwango vya kubadilisha fedha za kigeni na hata viwango vya riba. Kwa jumla, sera maalum za kukabiliana na hali kama hizi huwa na lengo la kupunguza hasara ili kuona kwamba kampuni haifilisishwi kibiashara kote nchini Kenya.

WAKURUGENZI

Halmashauri ya sasa ya Wakurugenzi ni kama ilivyofafanuliwa katika ukurasa wa 15. Wakurugenzi wote walitumika katika mwaka huo, isipokuwa tu, Dkt M. Aliker, aliyeteuliwa mnamo Aprili 24, 2001.

Bw D. d'Acremont na Bw F.O. Okello wanastaafu kwa zamu kulingana na Fungu 110 na, kwa vile wanaweza kugombea tena uchaguzi, wanajitolea kuchaguliwa tena.

Bw H.H.O. Awori, mkurugenzi anayestaafu kulingana na Fungu 101 kwa sababu ametimu umri wa miaka 70, bila kutilia maanani jambo hilo, atachaguliwa tena kama mkurugenzi kwa kipindi kingine cha miaka mitatu.

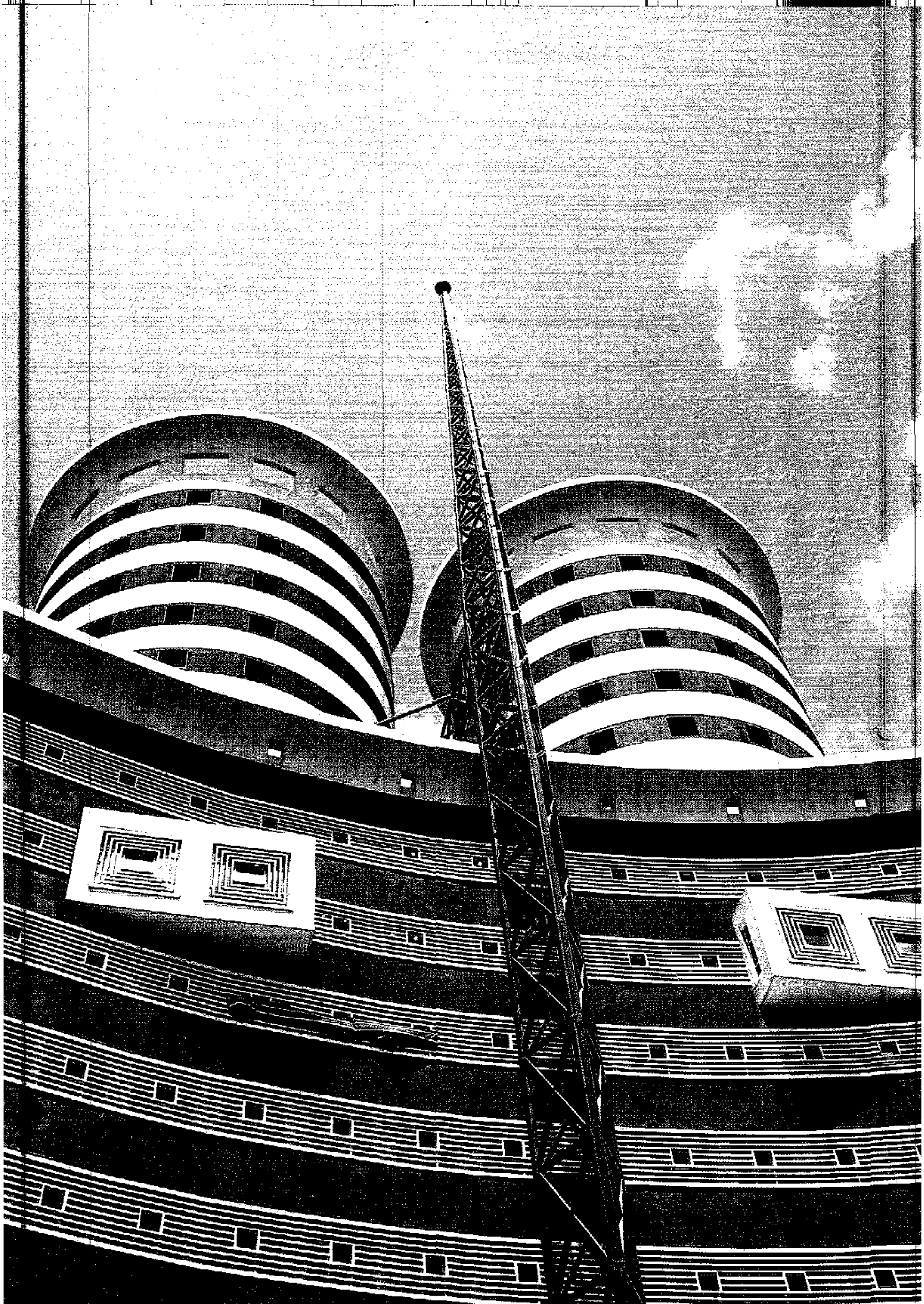
Dkt M. Aliker, mkurugenzi anayestaafu kulingana na Fungu 96, na ambaye ametimu umri wa miaka 71, bila kutilia maanani jambo hilo, atachaguliwa tena mkurugenzi ka kipindi kingine cha miaka mitatu.

WAKAGUZI

PricewaterhouseCoopers itaendelea kuwa afisini kulingana na Kifungu 159(2) cha Sheria ya Kampuni (Ukurasa 486).

Imeidhinishwa na Halmashauri
J.C. Kinyua
Katibu

Aprili 24, 2001



Report of the Auditors to the Shareholders

We have audited the financial statements set out on pages 20 to 37. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. The company's balance sheet is in agreement with the books of account.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of financial statements which give a true and fair view of the company's and group's state of affairs and of the group's profit or loss. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements.

Opinion

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the group's and company's financial affairs at 31 December 2000 and of the profit and cash flows of the group for the year then ended and comply with International Accounting Standards and the Kenyan Companies Act.

PRICEWATERHOUSECOOPERS

Certified Public Accountants
Nairobi

24 April 2001

Group Profit and Loss Account

for the year ended 31st December, 2000

	Note	2000 Shs.m	1999 Shs. m
Sales	2	3,022.6	2,450.5
Cost of sales		(958.2)	(796.7)
Gross profit		2,064.4	1,653.8
Distribution costs		(187.1)	(145.7)
Administrative expenses		(444.4)	(241.8)
Restructuring costs	4	(37.7)	(26.2)
Other operating expenses		(1,069.5)	(882.8)
Operating profit	3	325.7	357.3
Finance costs	5	(43.6)	(35.5)
Share of result of associate	14	14.0	18.2
Profit before tax		296.1	340.0
Tax	6	(96.0)	(92.4)
Profit before minority interest		200.1	247.6
Minority interest	24	3.0	-
Profit after tax		203.1	247.6
Dividends:			
Interim paid	19	19.6	19.6
Final proposed	19	42.8	42.8
		62.4	62.4
Earnings per share (Shs)	7	5.70	6.94

Balance Sheet

as at 31st December, 2000

	Note	Group 2000 Shs.m	Group 1999 Shs.m	Company 2000 Shs.m	Company 1999 Shs.m
CAPITAL EMPLOYED					
Capital and reserves					
Share capital	8	178.3	178.3	178.3	178.3
Revaluation reserve	9	188.4	285.8	91.9	127.7
Retained earnings		1,481.1	1,300.2	1,476.7	1,286.6
Proposed dividends		42.8	42.8	42.8	42.8
Shareholders' funds		1,890.6	1,807.1	1,789.7	1,635.4
Minority interests	24	17.3	2.9	-	-
		1,907.9	1,810.0	1,789.7	1,635.4
Non-current liabilities					
Borrowings	10	200.0	-	200.0	-
Deferred tax	11	123.6	151.6	123.6	151.6
		323.6	151.6	323.6	151.6
		2,231.5	1,961.6	2,113.3	1,787.0
REPRESENTED BY					
Non –current assets					
Property, plant and equipment	12	1,400.8	1,400.1	1,299.5	1,400.1
Intangible assets	13	108.9	21.2	-	
Investment in associate	14	245.7	301.4	94.6	94.6
Investment in subsidiaries at cost		-	-	170.0	20.8
		1,755.4	1,722.7	1,564.1	1,515.5
Current assets					
Inventories	15	177.9	192.1	155.2	192.1
Trade and other receivables	16	622.8	545.2	591.5	545.2
Cash and cash equivalents	17	362.9	224.4	346.3	224.4
		1,163.6	961.7	1,093.0	961.7
Current liabilities					
Trade and other payables	18	484.0	307.7	345.6	275.1
Current tax		15.7	(34.6)	20.7	(34.6)
Borrowings	10	187.8	449.7	177.5	449.7
		687.5	722.8	543.8	690.2
Net current assets		476.1	238.9	549.2	271.5
		2,231.5	1,961.6	2,113.3	1,787.0

The financial statements on pages 20 to 37 were approved by the board of directors on 24 April 2001 for issue and signed on its behalf by

H H O Awori
Director

R C Henry
Director

Group Statement of Changes in Equity

for the year ended 31st December, 2000

	Note	Share capital Shs.m	Revaluation reserve Shs.m	Retained earnings Shs.m	Proposed dividends Shs.m	Total Shs.m
Year ended 31 December 1999						
At start of year						
as previously reported		178.3	218.8	1,093.8	-	1,490.9
effect of adopting IAS 10		-	-	-	39.2	39.2
other adjustments	14	-	74.1	14.1	-	88.2
as restated		178.3	292.9	1,107.9	39.2	1,618.3
Transfer of excess depreciation	9	-	(8.3)	8.3	-	-
Deferred tax on transfer	9	-	1.2	(1.2)	-	-
Net (losses)/gains not recognised in the profit and loss account		-	(7.1)	7.1	-	-
Profit after tax		-	-	247.6	-	247.6
Dividends						
final for 1998 (paid)		-	-	-	(39.2)	(39.2)
interim for 1999 (paid)	19	-	-	(19.6)	-	(19.6)
final for 1999 (proposed)	19	-	-	(42.8)	42.8	-
At end of year		178.3	285.8	1,300.2	42.8	1,807.1
Year ended 31 December 2000						
At start of year						
as previously reported		178.3	211.7	1,288.3	-	1,678.3
effect of adopting IAS 10		-	-	-	42.8	42.8
other adjustments	14	-	74.1	11.9	-	86.0
as restated		178.3	285.8	1,300.2	42.8	1,807.1
Revaluation surplus		-	4.4	-	-	4.4
Deficit on revaluation	14	-	(60.3)	-	-	(60.3)
Transfer of excess depreciation	9	-	(11.3)	11.3	-	-
Deferred tax on transfer	9	-	1.0	(1.0)	-	-
Transfer on disposal	9	-	(29.9)	29.9	-	-
Currency translation differences		-	(1.3)	-	-	(1.3)
Net (losses)/gains not recognised in the profit and loss account		-	(97.4)	40.2	-	(57.2)
Profit after tax		-	-	203.1	-	203.1
Dividends						
final for 1999 (paid)	19	-	-	-	(42.8)	(42.8)
interim for 2000 (paid)	19	-	-	(19.6)	-	(19.6)
final for 2000 (proposed)	19	-	-	(42.8)	42.8	-
At end of year		178.3	188.4	1,481.1	42.8	1,890.6

Company Statement of Changes in Equity

for the year ended 31st December, 2000

	Note	Share capital Shs.m	Revaluation reserve Shs.m	Retained earnings Shs.m	Proposed dividends Shs.m	Total Shs.m
Year ended 31 December 1999						
At start of year						
as previously reported		178.3	97.1	563.9	-	839.3
effect of adopting IAS 10		-	-	-	39.2	39.2
as restated		178.3	97.1	563.9	39.2	878.5
Capital reserves transferred from Nation Newspapers Limited		-	37.7	-	-	37.7
Transfer of excess depreciation	9	-	(8.3)	8.3	-	-
Deferred tax on transfer	9	-	1.2	(1.2)	-	-
Net gains not recognised in the profit and loss account		-	30.6	7.1	-	37.7
Profit after tax		-	-	778.0	-	778.0
Dividends						
final for 1998 (paid)		-	-	-	(39.2)	(39.2)
interim for 1999 (paid)	19	-	-	(19.6)	-	(19.6)
final for 1999 (proposed)	19	-	-	(42.8)	42.8	-
At end of year		178.3	127.7	1,286.6	42.8	1,635.4
Year ended 31 December 2000						
At start of year						
as previously reported		178.3	127.7	1,286.6	-	1,592.6
effect of adopting IAS 10		-	-	-	42.8	42.8
as restated		178.3	127.7	1,286.6	42.8	1,635.4
Revaluation surplus		-	4.4	-	-	4.4
Transfer of excess depreciation	9	-	(11.3)	11.3	-	-
Deferred tax on transfer	9	-	1.0	(1.0)	-	-
Transfer on disposal	9	-	(29.9)	29.9	-	-
Net (losses)/gains not recognised in the profit and loss account		-	(35.8)	40.2	-	4.4
Profit after tax		-	-	212.3	-	212.3
Dividends						
final for 1999 (paid)	19	-	-	-	(42.8)	(42.8)
interim for 2000 (paid)	19	-	-	(19.6)	-	(19.6)
final for 2000 (proposed)	19	-	-	(42.8)	42.8	-
At end of year		178.3	91.9	1,476.7	42.8	1,789.7

Group Cash Flow Statement

for the year ended 31st December, 2000

	Note	2000 Shs.m	1999 Shs.m
Operating activities			
Cash generated from operations	22	602.1	414.7
Interest received	5	8.2	19.4
Interest paid	5	(54.9)	(57.7)
Tax paid		(68.3)	(121.3)
Net cash from operating activities		487.1	255.1
Investing activities			
Purchase of property, plant and equipment	12	(193.2)	(408.0)
Proceeds from the sale of property, plant and equipment		41.0	20.4
Acquisition	23	(99.0)	(2.5)
Dividend received		4.0	3.0
Net cash used in investing activities		(247.2)	(387.1)
Financing activities			
Issue of shares to minority interest		23.0	-
Short term loans		387.7	449.7
Repayment of borrowings		(449.7)	(220.1)
Dividends paid		(62.4)	(58.9)
Net cash (used in)/ from financing activities		(101.4)	170.7
Increase in cash and cash equivalents		138.5	38.7
Movement in cash and cash equivalents			
At start of year		224.4	185.7
Increase in cash and cash equivalents		138.5	38.7
At end of year	17	362.9	224.4

Notes to the Accounts

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Accounting Standards. The financial statements are presented in Kenya Shillings and are prepared under the historical cost convention as modified by the revaluation of certain of the company's property.

(b) Consolidation

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

(c) Property, plant and equipment

All property is initially recorded at cost. Land and buildings are subsequently shown at market value based on periodic valuations by external independent valuers, less subsequent depreciation. All plant and equipment and motor vehicles are stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation is calculated on the straight line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful life. The annual rates used for this purpose are as follows:

Freehold land	2.5%
Leasehold land and buildings	2.5% (or over the period of lease)
Plant and equipment	
Plant and machinery	6.7% - 50%
Motor vehicles	2.5% - 50%
Furniture, office equipment and computers	12.5% - 20%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Accounts

continued

(d) Investments in associates

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Group has between 20% and 50% of the voting rights, and over which the Group exercises significant influence, but which it does not control. Provisions are recorded for long-term impairment in value.

Equity accounting involves recognising in the income statement the Group's share of the associates' profit or loss for the year. The Group's interests in associates are carried in the balance sheet at an amount that reflects its share of the net assets of the associates and includes goodwill on acquisition.

(e) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary/associated undertaking at the date of acquisition and is shown on the balance sheet as an intangible asset.

Goodwill is generally amortised using the straight line method over a period not exceeding 10 years.The carrying amount of goodwill is reviewed annually and written down for permanent impairment where it is considered necessary.

(f) Other intangible assets

Expenditure on acquired patents, trademarks and licences (including broadcasting licences) is capitalised and amortised using the straight-line method over their useful lives, generally over 10 years. Intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

(g) Trade receivables

Trade receivables are carried at original invoiced amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method and includes transport and handling costs. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of realisation. Goods in transit are stated at cost. Provision is made for obsolete, slow moving and defective inventories.

(i) Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(j) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held with banks, and investments in money market instruments, net of bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

(k) Revenue recognition

Sales are recognised upon delivery of products and customer acceptance, if any, or performance of services, net of VAT and discounts. Interest income is recognised as it accrues unless collectability is in doubt.

(l) Deferred tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Under this method the Group is required to make provision for deferred tax on the revaluation of certain non-current assets and, in relation to an acquisition, on the difference between the fair values of the net assets acquired and their tax base.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

(m) Employee entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

(n) Retirement benefit obligations

The group operates a defined contribution scheme. The assets are held in trustee administered funds. The group's contribution to the scheme is charged to the profit and loss account in the year to which they relate.

(o) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Kenya shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Kenya Shillings at rates ruling at that date. The resulting differences from conversion of and translation are dealt with in the profit and loss account in the year to which they relate.

Income statements of foreign entities are translated into Kenya shillings at average exchange rates for the year and the balance sheets are translated at the year end exchange rates. Exchange differences arising from the re-translation of the net investment in the foreign subsidiaries are taken to capital reserves in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on sale.

(p) Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

(q) Restructuring provisions

Restructuring provisions mainly comprise employee termination payments and are recognised in the period in which the company becomes legally or constructively committed to payment. Employee termination benefits are recognised only after either an agreement is in place with the appropriate employee representatives specifying the terms of redundancy and numbers of employees affected, or after individual employees have been advised of the specific terms. Costs related to the ongoing restructuring activities of the company are not provided in advance.

(r) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Notes to the Accounts

continued

2 Segmental reporting

The group operates in the geographical segment of East Africa. The analysis of the results and net assets of the group into primary reporting segments is as follows

	Newspapers Shs.m	Broadcasting Shs.m	Other Shs.m	Group Shs.m
Sales	2,892.4	86.7	43.5	3,022.6
Segment results	1,404.6	(79.7)	2.3	1,327.2
Unallocated costs				(1,001.5)
Operating profit				325.7
Finance costs				(43.6)
Share of associate				14.0
Profit before tax				296.1
Tax				(96.0)
Minority interest				3.0
Profit after tax				203.1
Segment assets	2,243.2	338.9	91.2	2,673.8
Share of associate				245.7
				2,919.0
Segment liabilities	973.2	11.8	26.1	1,011.1
Capital expenditure	110.8	80.5	1.9	193.2
Depreciation	177.5	39.7	4.1	221.3
Amortisation	7.7	4.7	-	12.4
Other non-cash expenses	69.8	4.3	-	74.1

Comparative figures are not shown as in 1999 the group had only one primary reporting segment as defined by IAS 14

3 Operating profit

The following items have been charged in arriving at operating profit

	2000 Shs.m	1999 Shs.m
Depreciation (note 12)	221.3	162.5
Amortisation of intangible assets (note 13)	12.4	4.8
Profit on disposal of property, plant and equipment	29.0	7.4
Deficit on revaluation	2.9	-
Operating lease rentals	55.8	42.0
Staff costs (note 4)	659.5	423.8
Auditors' remuneration	4.1	2.2
Directors' remuneration		
fees	5.0	5.1
other	37.1	33.1

Notes to the Accounts

continued

		2000	1999
4	**Staff costs**	**Shs.m**	**Shs.m**
	Salaries and wages	594.0	376.9
	Restructuring costs	37.7	26.2
	Social security costs	1.5	1.2
	Pension costs – defined contribution plans	26.3	19.5
		659.5	423.8

During the year, the company paid a total of Shs.37.7 m (1999: Shs.26.2m) in retrenchment costs due to the ongoing reorganisation of group's operations.

The number of persons employed by the group at the year end was

	Number	Number
Full time	729	653
Part time	293	185
	1,022	838

The year 2000 numbers include Monitor Publications Limited.

5	**Finance costs**	**Shs.m**	**Shs.m**
	Interest income	8.2	19.4
	Net foreign exchange gains	3.1	2.8
	Interest payable	(54.9)	(57.7)
		(43.6)	(35.5)

6	**Tax**		
	Current tax	118.6	70.5
	Deferred tax (note 11)	(28.0)	15.9
	Share of associate tax (note 14)	5.4	6.0
		96.0	92.4

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows

Profit before tax	296.1	340.0
Tax calculated at a tax rate of 30 % (1999: 32.5%)	88.8	110.5
Tax effect of		
income not subject to tax	(0.5)	(4.2)
expenses not deductible for tax purposes	7.7	5.4
change in tax rate	-	(19.3)
	96.0	92.4

Notes to the Accounts

continued

7 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2000	1999
Net profit attributable to shareholders (Shs. million)	203.1	247.6
Weighted average number of ordinary shares in issue (million)	35.7	35.7
Basic earnings per share (Shs)	5.70	6.94

There were no dilutive potential ordinary shares at either year end.

8 Ordinary share capital

	Number of shares m	Shs.m
Authorised	60.0	300.0
Issued and fully paid		
At 1 January and 31 December 2000	35.7	178.3

9 Revaluation reserve

	Land and buildings Shs.m	Plant and machinery Shs.m	Associate company Shs.m	Currency translation Shs. m	Total Shs.m
Year ended 31 December 1999					
At start of year					
as previously reported	112.8	9.7	96.3	-	218.8
prior year adjustment (note 14)	-	-	74.1	-	74.1
as restated	112.8	9.7	170.4	-	292.9
Transfer of excess depreciation	(4.9)	(3.4)	-	-	(8.3)
Deferred tax on transfer	0.2	1.0	-	-	1.2
At end of year	108.1	7.3	170.4	-	285.8
Year ended 31 December 2000					
At start of year					
as previously stated	108.1	7.3	96.3	-	211.7
prior year adjustment (Note 14)	-	-	74.1	-	74.1
as restated	108.1	7.3	170.4	-	285.8
Transfer on disposals	(29.9)	-	-	-	(29.9)
Transfer of excess depreciation	(4.0)	(7.3)	-	-	(11.3)
Deferred tax on transfer	1.0	-	-	-	1.0
Revaluation surplus	4.4	-	-	-	4.4
Currency translation differences	-	-	-	(1.3)	(1.3)
Deficit on revaluation (note 14)	-	-	(60.3)	-	(60.3)
At end of year	79.6	-	110.1	(1.3)	188.4

The company's revaluation reserve relates to surpluses, net of deferred tax, arising from the revaluation of land and buildings as shown in the statement of changes in equity.

10 Borrowings

	2000 Shs.m	1999 Shs.m
Non-current		
Bank loans	200.0	-
Current		
Bank loans	160.3	-
Commercial paper	27.5	449.7
	187.8	449.7
	387.8	449.7

The company had a bank loan of Shs. 300 million at 31 December 2000 which is unsecured and repayable in twelve equal quarterly instalments of Shs. 25m commencing on 2 January 2001.

The weighted average effective interest rates at the year end were as follows

commercial paper	14.2%	14.5%
bank loans	12.0%	19.8%

The subsidiary company, Monitor Publications Limited, has loans from Uganda Development Bank (UDB) and Heidelberg Print Finance which are denominated in Uganda Shillings. The loan from UDB of UShs. 127.6 million at 31 December 2000 is repayable in equal quarterly instalments of UShs.31.9 million. It is secured on the company's property, plant and equipment. The loan from Heidelberg of UShs. 102.7 million at 31 December 2000 is repayable in equal half yearly instalments over 3 years and is secured on the company's plant and machinery.

11 Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using a principal tax rate of 30% (1999: 30%). The movement on the deferred tax account is as follows

At start of year	151.6	135.7
Profit and loss (credit)/charge (note 6)	(28.0)	15.9
At end of year	123.6	151.6

Deferred tax assets and liabilities are attributable to the following items

	1.1.00 Shs.m	Charged/ (credited) to P & L Shs.m	31.12.00 Shs.m
Deferred tax liabilities			
Accelerated depreciation	138.0	(28.1)	109.9
Property revaluation	14.0	-	14.0
Deferred tax asset	152.0	(28.1)	123.9
Provisions	(0.4)	0.1	(0.3)
Net deferred tax liability	151.6	(28.0)	123.6

Deferred tax of Shs.1.0 million was transferred within shareholders' equity from revaluation reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on the property and the equivalent depreciation based on the historical cost of the property.

Notes to the Accounts

continued

12. Property, plant and equipment

	Land and buildings		Plant and	
	Freehold	Leasehold	equipment	Total
	Shs. m	Shs. m	Shs. m	Shs. m
Group				
Cost or valuation				
At 1 January 2000	72.1	281.8	1,545.6	1,899.5
Additions	0.1	5.5	187.6	193.2
Acquisition of subsidiary	6.2	35.2	72.4	113.8
Exchange differences	(1.0)	(5.9)	(12.2)	(19.1)
Revaluation	-	1.5	-	1.5
Disposals	(38.0)	-	(16.6)	(54.6)
At 31 December 2000	39.4	318.1	1,776.8	2,134.3
Depreciation				
At 1 January 2000	2.7	27.5	469.2	499.4
Charge for the year	0.6	8.9	211.8	221.3
Acquisition of subsidiary	-	1.2	30.4	31.6
Exchange differences	-	(0.1)	(3.1)	(3.2)
Disposals	(1.6)	-	(14.0)	(15.6)
At 31 December 2000	1.7	37.5	694.3	733.5
Net book amount				
At 31 December 2000	37.7	280.6	1,082.5	1,400.8
At 31 December 1999	69.4	254.3	1,076.4	1,400.1
Company				
Cost or valuation				
At 1 January 2000	72.1	281.8	1,545.6	1,899.5
Additions	0.1	5.5	144.4	150.0
Revaluation	-	1.5	-	1.5
Disposals	(38.0)	-	(16.6)	(54.6)
At 31 December 2000	34.2	288.8	1,673.4	1,996.4
Depreciation				
At 1 January 2000	2.7	27.5	469.2	499.4
Charge for the year	0.6	8.4	204.0	213.0
Adjustments for disposals	(1.5)	-	(14.0)	(15.5)
At 31 December 2000	1.8	35.9	659.2	696.9
Net book amount				
At 31 December 2000	32.4	252.9	1,014.2	1,299.5
At 31 December 1999	69.4	254.3	1,076.4	1,400.1

Certain classes of land and buildings were revalued at 31 December 2000 by independent professional valuers. The basis for the valuation of land and buildings was open market value. The book values of the properties were adjusted to the revalued amounts and the resulting surplus net of deferred tax was credited to the revaluation reserve in shareholders equity (note 9). The deficit on revaluation in excess of previously recognised surpluses has been charged to the profit and loss account (note 3).

12 Property, plant and equipment (continued)

If the land and buildings of the group and company were stated on the historical cost basis, the amounts would be as follows

	2000 Shs.m	1999 Shs.m
Cost	239.0	233.4
Accumulated depreciation	(25.9)	(19.9)
Net book amount	213.1	213.5

13 Intangible assets

	Goodwill Shs.m	Broadcasting frequencies Shs. m	Total Shs.m
Cost			
At start of year	2.5	23.5	26.0
Addition (note 23)	100.1	-	100.1
At end of year	102.6	23.5	126.1
Amortisation			
At start of year	0.1	4.7	4.8
Charge for the year (note 22)	7.7	4.7	12.4
At end of year	7.8	9.4	17.2
Net book amount			
31 December 2000	94.8	14.1	108.9
31 December 1999	2.4	18.8	21.2

14 Investment in associate

	2000 Shs.m	1999 Shs. m
Opening net book amount		
as previously reported	215.4	204.0
prior year adjustment	86.0	88.2
as restated	301.4	292.2
Share of results before tax	14.0	18.2
Share of tax (note 6)	(5.4)	(6.0)
	8.6	12.2
Dividend received	(4.0)	(3.0)
Share of revaluation deficit	(60.3)	-
At year end	245.7	301.4

The company's investment in the associate is shown at cost. There has been no change in the company's 20% shareholding in the associate company, Industrial Promotion Building Limited. The prior year adjustment relates to a revision in shareholders funds of the associate due to a change in accounting policies.

Notes to the Accounts

continued

15 Inventories

	Group 2000 Shs.m	Group 1999 Shs. m	Company 2000 Shs.m	Company 1999 Shs. m
Raw materials at cost	135.0	145.6	126.9	145.6
Engineering spares at cost	23.2	22.7	22.5	22.7
Other stock at cost	19.7	23.8	5.8	23.8
	177.9	192.1	155.2	192.1

16 Trade and other receivables

Trade receivables	316.5	278.9	272.7	278.9
Other receivables	286.9	183.9	297.5	183.9
Prepayments	19.4	82.4	21.3	82.4
	622.8	545.2	591.5	545.2

17 Cash and cash equivalents

Cash at bank and in hand	24.0	42.0	7.4	42.0
Short term bank deposits	338.9	182.4	338.9	182.4
	362.9	224.4	346.3	224.4

The weighted average effective interest rate on short-term bank deposits was 13.1% (1999: 13.0%).

18 Trade and other payables

Trade payables	209.0	91.6	140.9	91.6
Accrued expenses	228.6	147.5	171.1	147.5
Other payables	46.4	68.6	33.6	36.0
	484.0	307.7	345.6	275.1

19 Dividends per share

Proposed dividends are accounted for as a separate component of equity until they have been ratified at the annual general meeting. At the annual general meeting to be held on 14 June 2001, a final dividend in respect of the year ended 31 December 2000 of Shs.1.20 per share amounting to a total of Shs.42.8 million is to be proposed. During the year an interim dividend of Shs. 0.55 per share, amounting to a total of Shs. 19.6 million was paid. The total dividend for the year is therefore, Shs.1.75 per share (1999: Shs.1.75), amounting to a total of Shs.62.4 million (1999: Shs.62.4 million).

Payment of dividends is subject to withholding tax at the rate of 5% for residents and 10% for non-residents.

20 Contingent liabilities

At 31 December 2000, the company had an ongoing court case in respect of the ownership of the subsidiary company, East Africa Televisions Network (EATN), which is included in the financial statements at a carrying amount of Shs.14.1 million.

21 Commitments

Capital expenditure

Commitments for capital expenditure at the balance sheet date are as follows

	2000 Shs.m	1999 Shs.m
Contracted for but not provided for in the accounts	11.9	-

Operating leases

The future minimum lease payments under non cancellable operating leases are as follows

	2000 Shs.m	1999 Shs.m
Not later than 1 year	61.5	38.1
Later than 1 year and not later than 5 years	246.2	145.3
Later than 5 years	-	1.3
	307.7	184.7

22 Cash generated from operations

	2000 Shs.m	1999 Shs.m
Reconciliation of profit before tax to cash generated from operations		
Profit before tax	296.1	340.0
Adjustments for		
depreciation (note 12)	221.3	162.5
profit on sale of property, plant and equipment	(2.0)	(13.2)
interest income (note 5)	(8.2)	(19.4)
interest expense (note 5)	54.9	57.7
share of result before tax of associate (note 14)	(14.0)	(17.6)
amortisation of intangible assets (note 13)	12.4	4.8
Changes in working capital (excluding the effects of acquisition)		
inventories (note 15)	34.0	8.4
trade and other receivables (note 16)	(29.8)	(121.9)
trade and other payables (note 18)	37.4	13.4
Cash generated from operations	602.1	414.7

Notes to the Accounts

continued

23 Acquisition

As at 31 March 2000, the company acquired 60% of the share capital of Monitor Publications Limited, incorporated in Uganda, for Shs.95.2 million.

Details of net assets acquired and goodwill are as follows:

	2000 Shs. m
Purchase consideration	95.2
Add fair value of net liabilities acquired	4.9
Goodwill (note 13)	100.1

Assets

The assets and liabilities arising from the acquisition are as follows

Bank overdraft	(3.8)
Property, plant and equipment (note 12)	82.2
Investments	1.1
Inventories	19.8
Receivables	48.0
Payables	(138.9)
Borrowings	(16.6)
Minority interest	3.3
Fair value of net liabilities acquired	(4.9)
Goodwill (note 13)	100.1
Total purchase consideration	95.2
Add: bank overdraft in subsidiary acquired	3.8
	99.0

24 Minority interest

	2000 Shs.m	1999 Shs.m
At start of year	2.9	2.9
Acquisition (note 23)	(3.3)	-
Issue of shares to minority interest	23.0	-
Share of loss after tax for the year	(3.0)	-
Currency translation differences	(2.3)	-
	17.3	2.9

25 Related party transactions

There are a number of companies which are related to Nation Media Group Limited through common shareholdings or common directorships.

The following transactions were carried out with related parties

	2000 Shs.m	1999 Shs.m
i) Purchase of services		
Other related parties	61.2	63.0

Purchases from related parties were made on terms and conditions similar to those offered to major customers.

	2000 Shs.m	1999 Shs.m
ii) Loans to directors		
At start of year	10.7	6.7
Loans advanced during the year	6.5	7.1
Loans repaid during the year	(1.7)	(3.1)
At end of year	15.5	10.7

Loans to executive directors are on terms similar to those applicable to other employees and are included in other receivables.

26 Subsidiary companies

	Country of incorporation	Holding %	Business
Active subsidiary companies			
Nation Marketing & Publishing Limited	Kenya	100	Publishing
Monitor Publications Limited	Uganda	60	Printing and Publishing
Associate company			
Industrial Promotion Building Limited	Kenya	20	Property Investment

In addition, the group has a number of other subsidiary companies which are currently dormant.

Five Year Finanacial Summary

for the year ended 31st December, 2000

	2000 Shs.m	1999 Shs.m	1998 Shs.m	1997 Shs.m	1996 Shs.m
Results					
Turnover	3,022.6	2,450.5	2,409.6	2,182.0	1,895.7
Profit before tax	296.1	340.0	488.6	417.7	262.1
Profit attributable to shareholders	203.1	247.6	315.9	284.3	206.9
Net assets					
Fixed assets	1,755.4	1,722.7	1,389.5	1,231.7	1,196.9
Net current assets	476.1	238.9	382.2	349.9	280.4
Non- current liabilities	(323.6)	(151.6)	(277.7)	(311.0)	(473.4)
Minority interests	(17.3)	(2.9)	(3.1)	(0.7)	(0.4)
Shareholders funds	1,890.6	1,807.1	1,490.9	1,269.9	1,003.5
Profit before tax					
As a percentage of turnover(%)	9.80	13.87	20.28	19.14	13.83
Earnings per share (Shs)*	5.70	6.94	8.86	7.99	5.80
Dividends per share (Shs)*	1.75	1.75	1.65	1.38	0.92
Dividend cover (times)	3.25	3.97	5.37	5.80	6.33

*Adjusted for bonus issues.

Taarifa Fupi Ya Kifedha Ya Miaka Mitano

ilioisha Desemba 31, 2000

	2000 Shs.m	1999 Shs.m	1998 Shs.m	1997 Shs.m	1996 Shs.m
Matokeo					
Jumla ya mapato	3,022.6	2,450.5	2,409.6	2,182.0	1,895.7
Faida kabla ya kodi	296.1	340.0	488.6	417.7	262.1
Faida kwa wenyehisa	203.1	247.6	315.9	284.3	206.9
Mali halisi					
Mali thabiti	1,755.4	1,722.7	1,389.5	1,231.7	1,196.9
Mali halisi za sasa	476.1	238.9	382.2	349.9	280.4
Madeni ya muda mrefu	(323.6)	(151.6)	(277.7)	(311.0)	(473.4)
Wenyehisa wachache	(17.3)	(2.9)	(3.1)	(0.7)	(0.4)
Malipo ya wenyehisa	1,890.6	1,807.1	1,490.9	1,269.9	1,003.5
Faida kabla ya kodi					
Kama asilimia ya mapato	9.80	13.87	20.28	19.14	13.83
Mapato kwa kila hisa (Shilingi)*	5.70	6.94	8.86	7.99	5.80
Migawo kwa kila hisa (Shilingi)*	1.75	1.75	1.65	1.38	0.92
Malipo ya hisa (mara)	3.25	3.97	5.37	5.80	6.33

* Badiliko kuhusu hisa za bonasi

Proxy Form

I/We ____

________________________________ being a member/members of Nation Media

Group Limited, hereby appoint ________________________________

of ____

and failing him ________________________________ and failing him, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on 14 June, 2001 and at any adjournment thereof.

As witness my hand this ________________________________

Signature ________________________________

Important notes:

1. *If you are unable to attend this meeting personally this form of proxy should be completed and returned to the Secretary, Nation Media Group Limited, P.O. Box 49010 Nairobi, to reach him not later than 48 hours before the time appointed for holding the meeting.*

2. *A person appointed to act as a proxy need not be a member of the company.*

3. *If the appointer is a corporation, this form of proxy must be under seal or under the hand of an officer or attorney duly authorised in writing.*

Fomu ya Uwakilishi

Mimi/sisi____

____ kama mwanachama/wanachama wa

Nation Media Group Limited, nateua/tunateua______________________________________

wa ____

na akikosa yeye ____

na akikosa yeye, mwenyekiti wa mkutano kama mwakilishi/wawakilishi wangu/wetu kunipigia kura/kutupigia kura na kwa niaba yangu/yetu kwenye mkutano wa kila mwaka wa kampuni utakaofanywa mnamo Juni 14, 2001, saa tisa alasiri na wakati wa ahirisho lo lote litakalotokea baadaye.

Kama shahidi siku hii ____

Sahihi ____

Maelezo Muhimu:

1. Iwapo hutaweza kuhudhuria mkutano huu wewe mwenyewe binafsi, fomu hii ya kura ya uwakilishi (proxy) lazima ijazwe kwa ukamilifu na kurudishwa kwa Katibu, Nation Media Group Limited, P.O. Box 49010, Nairobi, imfikie kabla ya masaa 48 kabla ya muda wa kufanya mkutano kuwadia.

2. Mtu anayeteuliwa kuwa mwakilishi si lazima awe mwanachama wa kampuni.

3. Ikiwa mteuaji ni shirika, fomu hii ya uwakilishi lazima ifungwe kwa lakiri (seal) au ipitie mikononi mwa afisa au wakili mwenyewe kibali cha maandishi.