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Yaliyomo

Notice of Annual General Meeting

Notice is hereby given that the Forty Sixth Annual General Meeting of the Shareholders of Nation Media Group Limited will be held at the Amphitheatre, Kenyatta International Conference Centre, Nairobi, on Thursday 28 May, 2009 at 2.00 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the financial statements for the year ended 31 December 2008, and the chairman's, directors' and auditors' reports thereon.

2. To confirm the payment of the interim dividend of Shs.1.50 per share (60%) and to approve the payment of a final dividend of Shs.4.00 per share (160%) on the ordinary share capital in respect of the year ended 31 December, 2008.

3. To authorise the directors to fix the remuneration of the auditor, PricewaterhouseCoopers.

4. To elect and re-elect the following directors:

In accordance with Article 96 of the Company's Articles of Association, Mr D Aluang'a a director appointed on 26 March, 2009, retires and being eligible, offers himself for election.

In accordance with Article 110 of the Company's Articles of Association, Prof. L Huebner, Mr A Poonawala, and Mr G M Wilkinson, retire by rotation and being eligible, offer themselves for re-election.

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as a Special Resolution:

5. "That Dr M J Aliker, a director who retires in accordance with Article 101 of the Company's Articles of Association and who is over the age of 70 years, shall not withstanding that fact, be re-elected as a director of the Company for a further period of one year."

By order of the Board
J C Kinyua
Secretary

26 March 2009

Note: A member entitled to attend and vote may appoint a proxy to attend and vote on his/her 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 Mwaka

Tangaza linatalewa hapa kwamba Mkutano Mkuu wa Mwaka wa Arobaini na Sita wa Wenyehisa wa Nation Media Group Limited utafanyika katika ukumbi wa Amphitheatre, Kenyatta International Conference Centre, Nairabi siku ya Alhamisi Mei 28, 2009 saa nane mchana kwa sababu zifuataza:

SHUGHULI ZA KAWAIDA

1. Kupokea taarifa za kifedha za mwaka uliomalizikia Desemba 31, 2008 na ripoti za mwenyekiti, wakurugenzi na wakaguzi wa mahesabu ya kifedha.

2. Kuthibitisha malipo ya mgawo wa muda wa Shs.1.50 kwa hisa (asilimia 60) na kuidhinisha malipa ya mgawa wa mwisha wa Shs.4.00 kwa hisa (asilimia 160) kwa mtaji wa kawaida wa hisa kuhusiana na mahesabu ya mwaka uliomalizikia Desemba 31, 2008.

3. Kuidhinisha wakurugenzi kufanya maamuzi kuhusu malipo ya wakaguzi wa mahesabu ya kifedha, ambaa ni PricewaterhauseCaopers.

4. Kumchagua na Kuwateua tena wakurugenzi wafuatao:

Kulingana na Kifungu cha 96 cha Sheria za kiushirika za Kampuni, Bw D Aluanga, ni mkurugenzi aliyeteuliwa mnama tarehe 26 Machi, 2009, anastaafu na ana fursa ya kujiwasilisha kwa uchaguzi.

Kulingana na Kifungu cha 110 cha Sheria za kiushirika za Kampuni, Prof. L Huebner, Bw A Paonawala na Bw G M Wilkinson, wanastaafu kwa zamu na, kwa kuwa wana fursa ya kuingia ulingoni tena, wangependelea kuteuliwa upya.

SHUGHULI MAALUM

Kwa kuzingatia na ikiwaziwa vyema, kupitisha maamuzi yafuatayo kama Maamuzi Maalum:

5. "Kwamba Dkt M J Aliker, mkurugenzi ambaye anastaafu kuambatana na Kifungu cha 101 cha Sheria za kiushirika za Kampuni na ambaye amepita umri wa miaka 70, bila kulingania kanuni hiyo, atachaguliwa upya kama mkurugenzi wa Kampuni kwa kipindi cha mwaka moja."

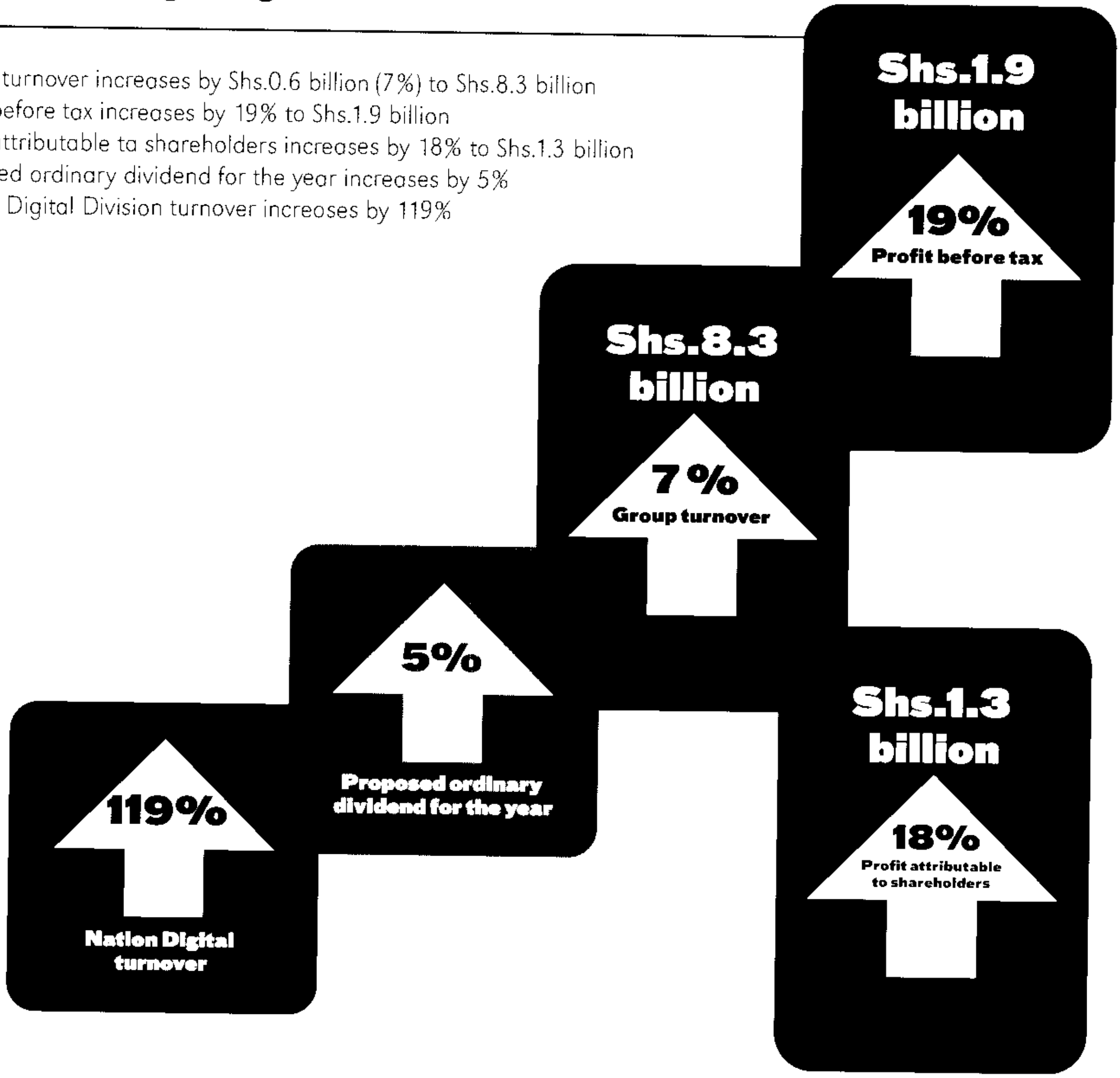
Kwa amri ya Halmashauri
J C Kinyua
Katibu wa Kampuni

Machi 26 2009

Fahamu: Mwanachama aliyeidhinishwa kuhudhuria na kupiga kura anaweza kumteua muwakilishi wake ahudhurie na kupiga kura kwa niaba yake. Sia lazima muwakilishi huya awe mwanachama wa kampuni. Ili aweze kutambuliwa kuwa halaii, famu za muwakilishi lazima zifikishwe kwa afisi za kampuni zilizosajiliwa saa 48 kabla ya wakati wa mkutana.

Annual Highlights 2008

- Group turnover increases by Shs.0.6 billion (7%) to Shs.8.3 billion
- Profit before tax increases by 19% to Shs.1.9 billion
- Profit attributable to shareholders increases by 18% to Shs.1.3 billion
- Proposed ordinary dividend for the year increases by 5%
- Nation Digital Division turnover increases by 119%



Mukhtasari wa Matukio ya Mwaka wa 2008

- Mapoto ya jumlo ya kompuni yaongezeka kwa shilingi bilioni 0.6 (asilimia 7) hadi shilingi bilioni 8.3
- Faida kabla ya ushuru yaongezeka kwa asilimia 19% hadi shilingi bilioni 1.9
- Faida inayohusishwa na wenyehisa yaongezeka kwa asilimia 18% hadi shilingi bilioni 1.3
- Mgowo wa kawaida uliopendekezwa kwa mwaka uliongezeka kwa asilimia 5%
- Mapato ya jumla ya kitengo cha Nation Digital Division yaongezeka kwa asilimia 119%

Corporate Governance

The role of the Board is to determine the company's policy and strategy, to monitor the attainment of business objectives and to ensure that the company meets its obligations to the shareholders. The directors are also responsible for overseeing the group's internal control systems. These controls are designed both to safeguard the group's assets and to ensure the reliability of the financial information used within the business.

Your Board is committed to ensuring that the group adheres to the highest standards of corporate governance and has the following Board Committees:-

1. Nominations Committee, which is responsible for executive and non-executive board appointments. Mr G M Wilkinson chairs the committee which has Mr W D Kiboro, Mr A Paonawala, Prof. L Huebner and Mr L W Gitahi as members.

2. Finance and Audit Committee, whose main duties are to ensure that the systems of internal controls are effectively administered, to define the responsibilities of the internal auditors, liaise with the external auditors and to review the interim results and financial statements. Mr J Lee chairs the committee which has Mr A Paonawala and Mr A Mufuruki as members.

3. Strategic Planning Committee, which reviews the group's medium and long term strategic aims and direction. Prof. L Huebner chairs the committee which has Mr J Lee, Mr G M Wilkinson, Dr M J Aliker, Mr W D Kiboro and Mr L W Gitahi as members.

4. Editorial Committee, which considers and advises on the group's editorial policy, the journalistic code of ethics and legal responsibilities. Mr F Okello chairs the committee which has Prof. L Huebner, Mr G M Wilkinson, Mr L Gitahi and Mr A Mufuruki as members.

5. Remuneration Committee, is charged with the responsibility of considering human resource policies and recommending non executive directors and senior executives remuneration to the Board. Mr A Mufuruki chairs the committee which has Mr J Lee and Mr F Okello as members.

There is a clearly defined organisational structure within which individual responsibilities are identified in relation to internal financial controls. The structure is complemented by policies and management operates the business in compliance with these policies.

The Group Chief Executive chairs the Executive Team which comprises the executive directors and other senior executives of the company. The team deals with operational matters and co-ordinates activities across the group's various subsidiary companies and divisions.

Chairman's Statement

Dr M J Aliker
Chairman

It is my pleasure to present to you the annual report and financial statements for the year ended 31 December, 2008. Following the post-election political crisis of the early part of that year, the business environment was unstable with most sectors of the economy slowing down from the robust growth witnessed in the previous years.

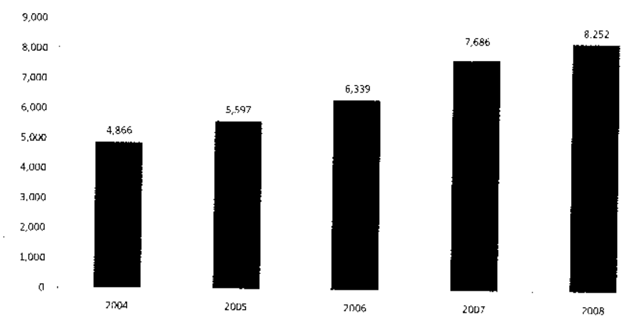
Despite these challenges, I am delighted to report that we acquitted ourselves very well and discharged our mandate of reporting events in the region in a balanced, accurate and objective manner. Our staff did a truly remarkable job in meeting the challenges and surpassing their targets, for which I highly commend them.

The period under review was exceptionally difficult for the Group, following the disputed presidential elections and the slow-down in the economic growth. However, the improved performance of our regional subsidiaries and good cost management gave us better results than those of 2007.

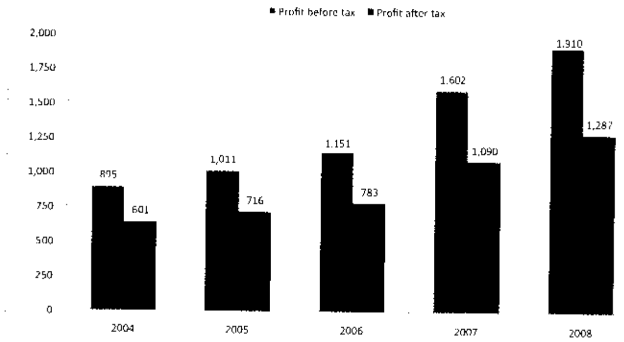
2008 RESULTS

Turnover in 2008 grew by 7% to Shs.8.3 billion, while profit before tax grew by 19% to Shs.1.9 billion, over the previous year.

Turnover (shs m)



Profit before and after tax (shs m)



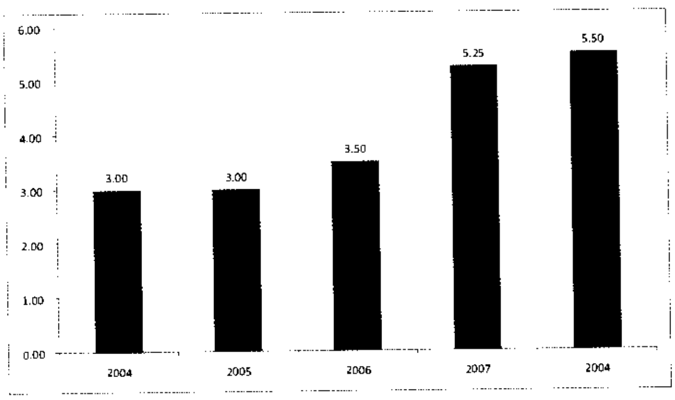
Group profit attributable to shareholders grew by 18% to Shs.1.3 billion. The Group's operations were significantly affected in the first half of the year by political uncertainty, but good recovery was made subsequently.

Dividends

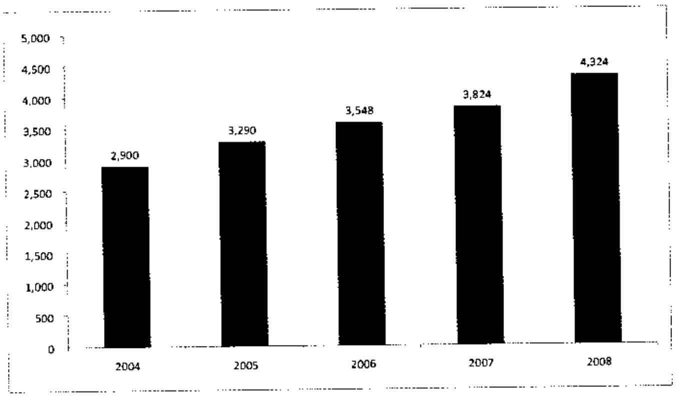
An interim dividend of Shs.1.50 (60%) per share was paid on 30 September 2008 and your board of directors recommends the payment of a final dividend of Shs.4.00 (160%) per share. The total dividend per share for the year 2008 at Shs.5.50 (220%) per share is 5% above last year.

Chairman's Statement continued

Dividends per share (shs)



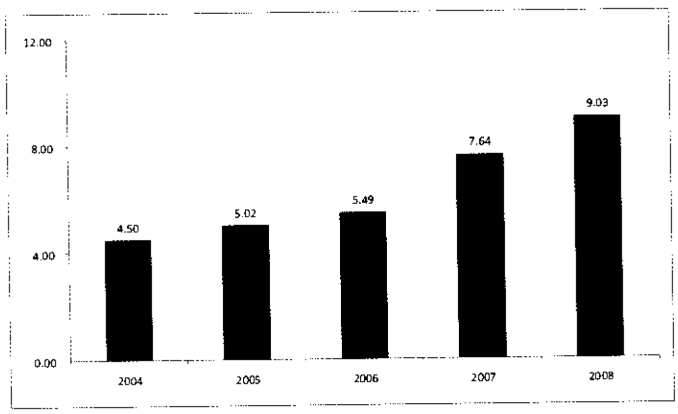
Shareholders funds (shs m)



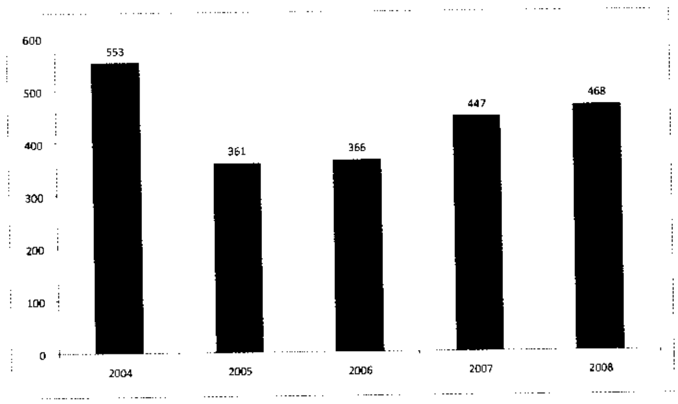
Future Business and Strategy

The Group continues to study market trends and identify any gaps and opportunities. In line with this strategy, we identified a gap in digital media business and established an independent division to exploit the opportunity. The division has registered good growth with revenues growing by 119% over the same period last year.

Earnings per share (shs)



Capital expenditure (shs m)



Confidence in a Bright Future

As already noted, the combination of the post-election crisis and the global financial meltdown made 2008 a decidedly challenging year. However, the board has taken the necessary measures to minimise the impact of the global crisis and the expected world recession.

Due to the relatively good economic performance and prudent management in Uganda and Tanzania, MPL, NTV(U) and MCL performed better than expected.

The Board and Management

During the year, Ms Vicky Unwin and Mr Abdalla Bekah resigned from the board. I would like to take this opportunity to sincerely thank Ms Unwin and Mr Bekah for the dedication with which they served the Group.

Finally, I would like to welcome Mr Dennis Aluang'a back to the board as a non-executive director and to express my sincere gratitude to all board members and the staff for their continued dedication to the Group.

Dr M J Aliker
Chairman

Taarifa ya Mwenyekiti

Dkt. M J Aliker
Mwenyekiti

Nifuraha yangu kuwawasilishia ripati hii ya mwaka na taarifa za kifedha za mwaka uliamalizikia Desemba 31 2008. Kufuatia uchaguzi wa mwaka wa 2007 uliakumbwa na utata, mazingira ya kibiashara yaliyumbishwa huku sekta nyingi za kiuchumi zikipunguza kasi ya ukuaji wa uchumi ambao ulishuhudiwa katika miaka iliyotangulia.

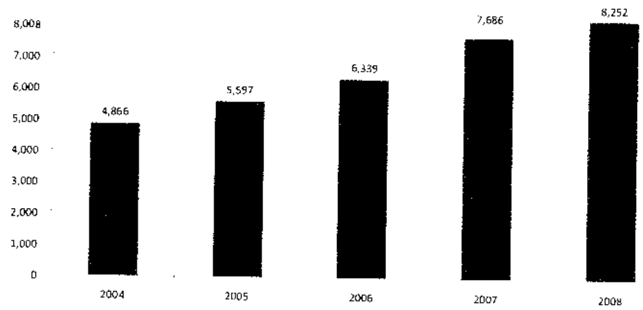
Ijapakuwa kulikuwa na changamoto baada ya uchaguzi hua wenye utata, nina furaha kuripoti kwamba tulijiendesha vyema na kutekeleza wajibu wetu wakuripati matukio katika kanda hii kwa usawa, usahihi na uadilifu mkubwa. Wafanyakazi wetu walifanya kazi nzuri ya kukabiliana na changamoto na kupita vipima walivyowekewa na kwa sababu hiyo nawapongeza sana.

Mwaka unaoangaziwa ulikuwa na changamata nyingi sana kwa kampuni kufuatia uchaguzi wa urais uliakuwa na utata na ukuaji wa polepole wa kiuchumi. Hata hivyo, matakeo yaliyoimarika ya mashirika dau ya maeneo ya kanda hii na usimamizi mzuri wa gharama kulihakikisha kwamba matokeo ya kampuni ni mazuri zaidi ukilinganisha na ilivyakuwa mwaka wa 2007.

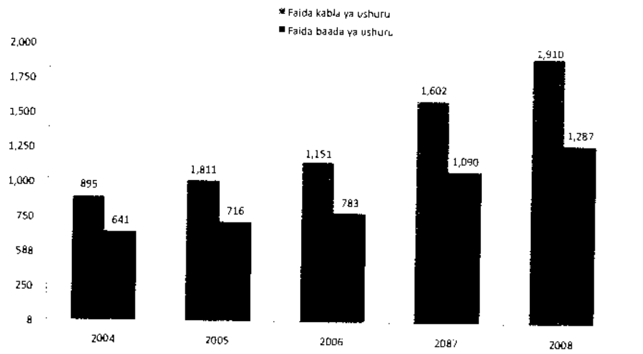
MATOKEO YA 2008

Mapato ya jumla ya 2008 yaliongezeka kwa asilimia 7% hadi Shilingi biliani 8.3, ilhali faida kabla ya ushuru iliongezeka kwa asilimia 19% hadi Shilingi biliani 1.9 ukilinganisha na mwaka uliotangulia.

Mapato (shilingi m)



Faida kabla na baada ya ushuru (shilingi m)



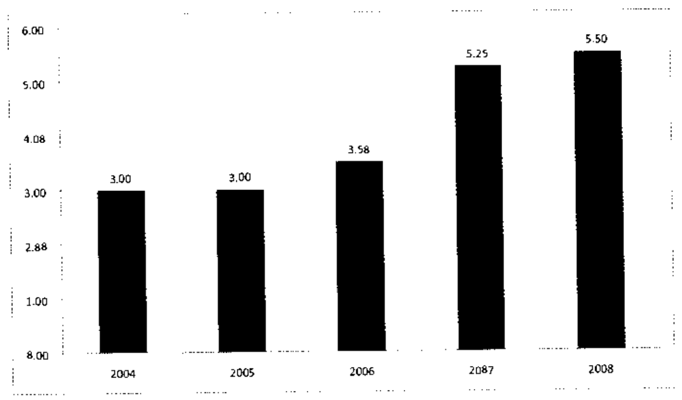
Faida ya kampuni inayohusishwa na wenyehisa ilipanda kwa asilimia 18% hadi Shilingi biliani 1.3. Shughuli za kampuni ziliathiriwa sana katika nusu ya kwanza ya mwaka na hali ya sintofahamu katika siasa. Hata hivyo, hatua bara za kusimamia hali hiya zilifuatia.

Mgawa

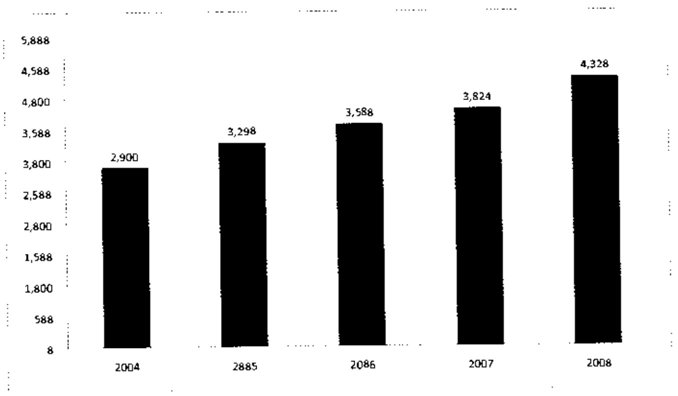
Mgawo wa muda wa Shilingi 1.50 ukiwa ni asilimia (60%) kwa hisa ulilipwa mnamo mwezi wa Septemba 30, 2008 na wakurugenzi wa halmashauri wanapendekeza malipo ya mgawo wa mwisho wa Shilingi 4.00 (160%) kwa hisa. Jumla ya mgawa kwa mwaka wa 2008 wa Shilingi 5.50 (220%) kwa hisa ambayo ni asilimia 5% zaidi ukilinganisha na mwaka jana.

Taarifa ya Mwenyekiti inaendelea

Mgawo wa kila hisa (shilingi)



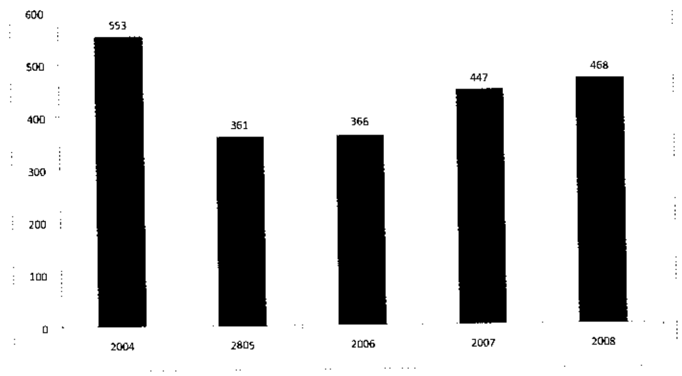
Hazina ya wenye hisa (shilingi m)



Mikakati na Biashara ya Baadaye

Kampuni inaendelea kuangalia mkondo wa sako na kutambua mapengo yaliyopo. Kulingana na mpango huu, pengo lilitambuliwa katika biashara ya udoleshaji na kitenga huru kinachohusika na biashara ya udoleshaji kuanzishwa. Kitenga hicha kimeonyesha ukuaji mzuri huku mapato yake yakikua kwa asilimia 119% katika kipindi hicho mwaka jana.

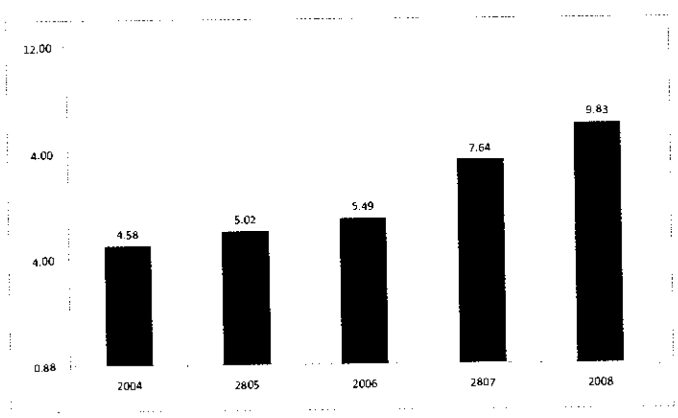
Mtaji wa matumizi (shilingi m)



Imani Thabiti ya Kipindi Kijacho

Kama ilivyodhihirika, ghasia za baada ya uchaguzi na matatizo ya kiuchumi ulimwenguni yalifanya mwaka wa 2008 kuwa mwaka wenye changamoto nyingi. Hata hivyo, halmashauri imechukua hatua mwafaka ili kupunguza athari za matatizo ya kiuchumi ulimwenguni na kusambaratika kwa uchumi kunakotarajiwa ulimwenguni. Kwa sababu ya matokea mazuri ya kiuchumi na usimamizi bora huko Uganda na Tanzania, MPL, NTV(U) na MCL zilifanya vyema sana.

Mapato kwa kila hisa (shilingi)



Halmashauri na Wasimamizi

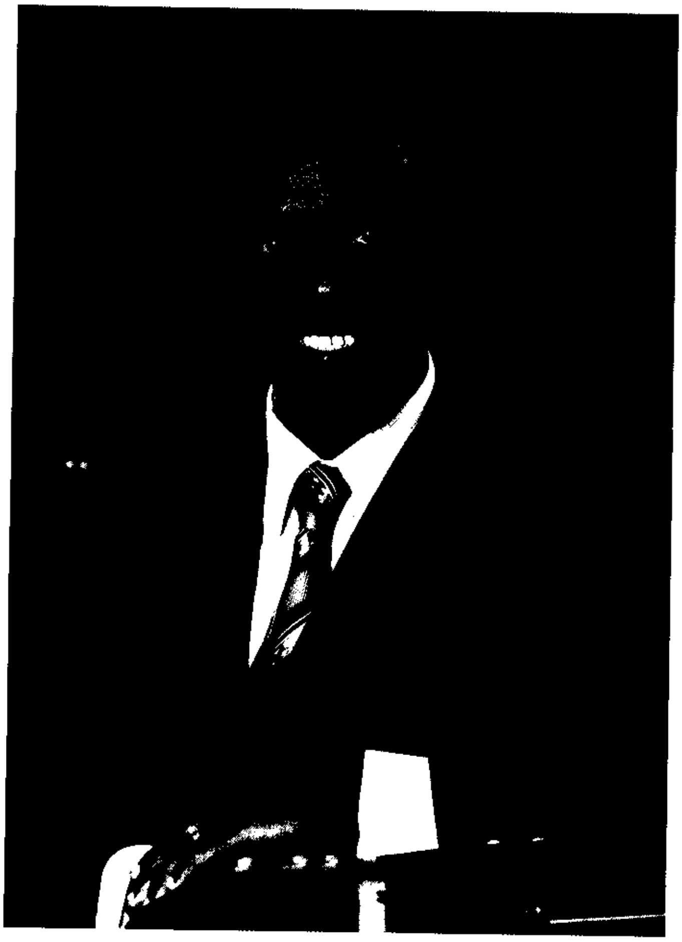
Katika mwaka hua, Bi. Vicky Unwin na Bw Abdalla Bekah walijiuzulu kutoka kwa halmashauri kuu.

Ningependa kuchukua nafasi hii kuwashukuru sana Bi. Unwin na Bw Bekah kwa dhati kufuatia jinsi walivyojitolea kuhudumia kampuni.

Mwisho, ningependa kumkaribisha tena Bw. Dennis Aluang'a kwenye Halmashauri na kadhalika kutoa shukrani zangu za dhati kwa wanachama wote wa halmashauri na wafanyikazi kwa kuendelea kujitolea mhanga katika utaaji huduma kwa kampuni.

Dkt. M J Aliker
Mwenyekiti

Group Chief Executive's Report



L W Gitahi
GROUP CHIEF EXECUTIVE OFFICER

I am happy to comment on the Group's performance for 2008, which, against the environment we operated in was, worth celebrating.

The Group achieved good growth both in revenue and profits. Revenues increased by Shs.566 million (7%) to Shs.8.3 billion, while profit before tax grew by 19% to Shs.1.9 billion.

The improved performance was largely attributable to the excellent performance by staff, revenue growth from market share gains, a turnaround of subsidiaries and prudent cost management.

During the year under review, investment in capital expenditure was aligned towards creating a strong footprint in the digital business, achieving efficiency in our print operations as well as the distribution of our products. A total of Shs.468.3 million was invested in capital expenditure with a large proportion going to printing, enterprise resource planning, distribution (motor vehicles) and upgrade of the digital platform.

Nation Newspapers Division (NND)

The division's good results were attributable to improved advertising revenue, prudent cost management and diversification of the product offerings. Direct costs also had a positive impact due to better newsprint prices and favourable US dollar pricing early in the year.

The above mitigated the impact of the political crisis witnessed in the first quarter of the year.

On product development, the division introduced a new easy-to-read magazine on Friday, ZuQka in Quarter Three of 2008. This publication targets the youth and the young at heart.

The Business Daily continued to register growth in both circulation and advertising and has become a serious and authoritative publication.

Nation Marketing and Publishing Limited

The division registered impressive results following its merger with the circulation and marketing department, with operating profit of 55% above last year. This good performance is expected to continue in 2009.

Nation Broadcasting Division (NBD)

The division's performance was adversely affected by the political crisis in Quarter One and the fragmentation of the industry.
Following the strengthening of the radio management, Easy fm took a leading position among FM stations in Kenya and continues to attract critical listenership, which is expected to yield good results in the coming years. Television management was strengthened to address the challenges faced in the year under review. QFm a Kiswahili radio station was launched in the course of the year and quickly registered tremendous growth.

Nation Carriers Division (NCD)

The division was restructured to enable it to concentrate on its core activity of newspaper delivery. The restructuring led to improved revenues and contribution over the previous year.

Monitor Publications Limited (MPL) – Uganda

MPL continued with its impressive performance that saw its revenue grow by 9% over the previous year. Advertising revenue also registered impressive growth. Kfm radio also continued to enjoy good listernership ratings.

Group Chief Executive's Report continued

Mwananchi Communications Limited (MCL) – Tanzania

NMG acquired the minority shareholders equity in the course of the year and reconstituted the board to accelerate its growth. Following management changes, the company registered impressive performance compared to the same period the previous year with both circulation and advertising revenue registering double-digit growth.

East African Magazines Limited (EAM)

The company's products continued to dominate the magazine market with superior quality and impressive circulation growth.
Despite this, we are reviewing the option of optimising our presence in this market segment and shall provide updates as our plans concretise.

Nation Television (Uganda)- NTV U

NTV(U) continued with its impressive performance with advertising revenue growing by over 50%. It expanded its broadcast reach outside Kampala and now covers 80% of the market.

Business Development

We established a Digital Division and it has consolidated its presence by implementing a new content management system, launching a number of websites and initiating the e-newspaper business model. The division's operating profit grew by 12% over the previous year. We continue to evaluate opportunities in the region for possibe investment as we drive our vision of being the Media of Africa for Africa.

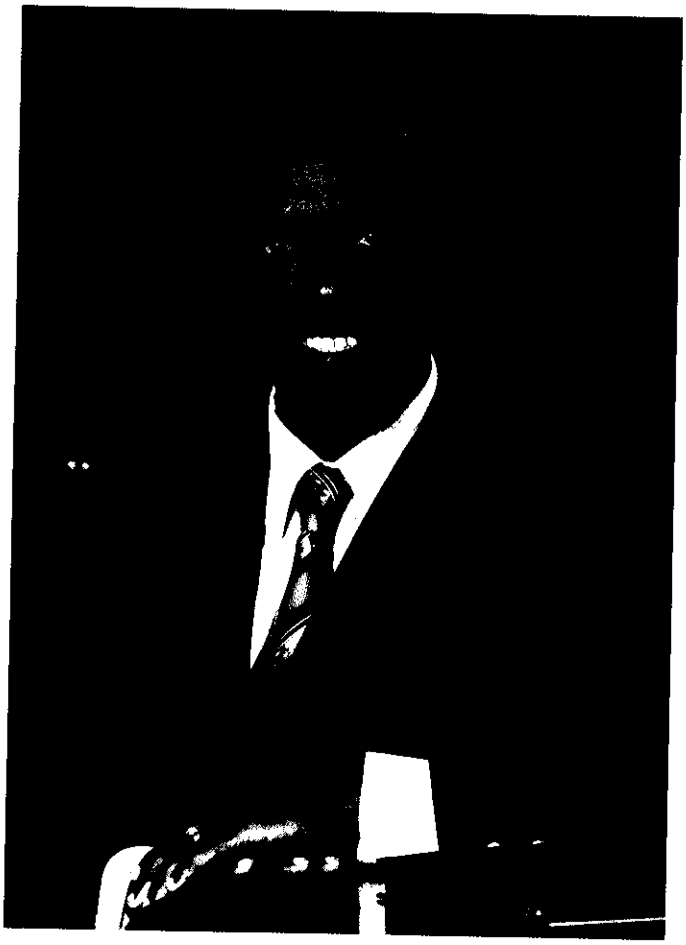
Appreciation

I would like to sincerely thank our management and staff for the excellent performance, and our readers, viewers, listeners and other business partners for the support they have continued to extend to us. Let me reassure them of the Group's continued commitment to providing excellent services.

In conclusion, I would also like to express my sincere appreciation to the board of directors for their continued support and guidance.

L W Gitahi
GROUP CHIEF EXECUTIVE OFFICER

Ripoti ya Mkurugenzi Mkuu



L W Gitahi
MKURUGENZI MKUU

Nina furaha kuzungumzia matokeo ya kampuni ya 2008, ambayo kulingana na mazingira tuliyofanyia kazi mwaka huo, yanafaa kusherehekewa.

Kampuni hii ilipata ukuaji wa kuvutia katika mapata na faida. Mapato yaliongezeka kwa Shilingi Milioni 566 ambayo ni (7%) hadi Shilingi bilioni 8.3, ilhali faida kabla ya ushuru ilipanda kwa asilimia 19% hadi Shilingi bilioni 1.9.

Matokeo hayo mazuri yalichangiwa zaidi na juhudi za wafanyakazi, ukuaji wa mapato kutoka kwa sehemu ya soko na mabadiliko ya mashirika dau kufuatia usimamizi bora wa gharama.

Katika mwaka huo unaoangaziwa, uwekezaji wa mtaji wa matumizi ulielekezwa kuunda msingi thabiti katika biashara ya udoleshaji (digital), kutimiza uadilifu katika huduma za kupiga chapa pamoja na usambazaji wa bidhaa zetu. Jumla ya shilingi milioni 468.3 ziliwekezwa katika mtaji wa matumizi na kiasi kikubwa kikielekezwa kwa upigaji chapa, mipango ya rasilmali za biashara, uchukuzi na kuimarishwa kwa mifumo ya udoleshaji.

Kitengo cha Uchapishaji wa Magazeti (NND)

Matokeo mazuri ya kitengo hiki yalichangiwa pakubwa na kuimarika kwa mapato ya matangazo, usimamizi bora wa gharama na upanuzi bidhaa zinazotolewa. Gharama za moja kwa moja pia zilikuwa na mchango mzuri katika gharama ya makaratasi kufuatia thamani ya dola mwaka huo.

Yaliyoelezwa hapo juu yalipunguza athari ya matatizo ya kisiasa yaliyoshuhudiwa katika robo ya kwanza ya mwaka.

Kuhusiana na ukuzaji wa bidhaa, kitengo kilizindua jarida lenye wepesi wa kusoma siku ya Ijumaa, linalofahamika kama ZuQka, kwenye kipindi cha robo ya tatu ya mwaka. Jarida hili linawalenga vijana na wale wanaohisi kuwa wachanga moyoni.

Gazeti la Business Daily limeendelea kushuhudia ukuaji wake katika mauzo na matangazo na limekuwa ni gazeti lenye chapa inayothaminiwa katika masuala ya biashara.

Kampuni ya Mauzo na Uchapishaji.

Kitengo hiki kilipata ukuaji wa kuvutia kufuatia kuunganishwa kwake na idara ya usambazaji na mauzo huku kikiwa na faida ya asilimia 55% ikilinganisha na mwaka jana.
Matokeo hayo ya kuvutia yanatarajiwa kuendelea katika mwaka wa 2009.

Kitengo cha Utangazaji (NBD)

Kitengo hiki kiliathiriwa kwa kiasi kikubwa kufuatia matatizo ya kisiasa katika kipindi cha robo ya kwanza ya mwaka na pia matatizo ya sekta hiyo.

Kuimarishwa kwa usimamizi wa redio, kumefanya redio ya Easy FM kuwa katika nafasi ya kwanza miongoni mwa vituo vya redio za FM nchini Kenya na inaendelea kuvuta wasikilizaji, hatua ambayo inayotarajiwa kuleta matokeo mazuri katika miaka ijayo. Usimamizi wa televisheni pia umeimarishwa ili kushughulikia changamoto zilizopatikana katika mwaka unaoangaziwa.

Q FM kituo maarufu cha redio, kilizinduliwa mwaka huo na tayari imeshuhudia ukuaji wa haraka katika soko.

Kitengo cha Uchukuzi (NCD)

Kitengo hiki kilifanyiwa mabadiliko ili kukiwezesha kushughulikia shughuli zake muhimu za usafirishaji gazeti. Mabadiliko hayo yamechangia pakubwa katika kuimarika kwa mapato na mchango kushinda mwaka uliotangulia.

Ripoti ya Mkurugenzi Mkuu inaendelea

Monitor Publications Limited (MPL) – Uganda

MPL imeendelea na matokeo yake ya kuvutia ambayo yalishuhudia mapato yake yakiongezeka kwa asilimia 9% ukilinganishwa na mwaka uliotangulia. Mapato ya matangazo yalishuhudia ukuaji unaovutia mwaka huo.

Radio ya K fm pia imeendelea kufurahia viwango vizuri vya usikilizaji.

Mwananchi Communications Limited (MCL) – Tanzania

NMG ilinunua wenyehisa wadogo katika mwaka huo na kufanya mabadilika katika halmashauri ili kupandisha ukuaji wake. Kufuatia mabadiliko yaliyotekelezwa na wasimamizi, kampuni ilipata matokeo ya kuvutia ikilinganishwa na kipindi sawa na hicho miaka iliyopita ambapo mapata ya usambazaji na matangazo yaliongezeka maradufu.

East African Magazines Limited (EAM)

Bidhaa za kampuni hii pia ziliendelea kutawala soko la majarida na huku mauzo yake yakiendelea kuimarika hasa katika mifumo ya usambazaji wake.

Licha ya hivyo, tunaangalia nafasi ya kujiboresha katika kitengo hiki cha soko na tutatoa maelezo ya mipango yetu pindi inapoendelea kuimarika.

Nation Television (Uganda) - NTV (U)

NTV (U) iliendelea na matokeo yake ya kuvutia na huku mapato ya matangazo yakikua kwa zaidi ya asilimia 50%. Ilipanua utangazaji wake nje ya Kampala, na kwa hivi sasa inahudumia asilimia 80% ya soko la Uganda.

Maendeleo ya Kibiashara

Tulianzisha kitengo cha Udoleshaji na kampuni imetilia maanani kuwepo kwake huku ikianzisha mifumo ya kisasa ya usimamizi, kuzindua wavuti mbali mbali na kuanzisha gazeti la kielektroniki. Faida ya kufanya kazi imeongezeka kwa asilimia 12% ukilinganishwa na mwaka uliotangulia. Tunaendelea kuweka mikakati kabambe ya kuwekeza, huku tukiazimia kuwa "Shirika Bora la Habari barani Afrika kwa Waafrika"

Shukran

Ningependa kuwashukuru kwa dhati wasimamizi na wafanyakazi wote kwa matokeo mazuri sana na kwa wasomaji, watazamaji, wasikilizaji na washirika wengine wa kibiashara kwa kuendelea kutuunga mkono.Wacha niwahakikishie kuhusu kampuni kuendelea kutoa huduma bora.
Nikihitimisha, ningependa pia kutoa shukran zangu za dhati kwa wakurugenzi wa halmashauri yetu kwa muongozo na jinsi wanavyoendelea kutuunga mkono.

L W Gitahi
MKURUGENZI MKUU

Nation Digital

The emphasis in the first year of the Digital division's operation, has been placed on developing and establishing new products and revenue streams. In keeping current with news, information and entertainment consumption habits, the division will ensure the Group's relevance in modern day media.

On Line: New Web Sites

The division commissioned a state of the art Web Content Management System to consolidate all NMG websites and their content, increase online content sales and maximize on search revenues.
The division launched the Kenyan newspaper sites, ***The Daily Nation*** and ***The EastAfrican***. In addition, the NTV and ***easyfm*** sites have also gone live. The development of sites, using the Web Content Management System, for the ***Business Daily***, The ***Taifa Leo*** and the Ugandan and Tanzanian brands are underway and will be launched in 2009.

The implementation of the web content management system and re-design of the web-sites will achieve significant growth in online advertising revenue. The introduction of the NTV and ***easyfm*** websites which will now include video and radio streaming will provide new revenue generating platforms.

The new content management system and revamped websites will contribute towards growing shareholder value through increased revenues, leverage the growth of web media consumption in the East Africa region and offer our advertisers additional platforms to reach their targeted audiences.

The division launched the Kenyan newspaper sites, The Daily Nation and The EastAfrican. In addition, the NTV and easyfm sites have also gone live.

Mobile: News Content Delivery

With the number of people interested in obtaining news, sports and entertainment reports, via the mobile phone, increasing by the day, the division launched the NationMobile logo and signed a partnership agreement with various mobile operators for content provision to their subscribers.

Nation Digital continued

DVD Sales: The Making of A Nation

The division broke new ground by producing a DVD of the Group's popular local series – ***The Making of A Nation*** to Kenyans locally and in the Diaspora. Initial market reception of the DVD has been very positive. This initiative will form the basis of an aggressive effort to commercialise the Group's substantially revamped local production library and reduce its reliance on its newspaper assets for profitability.

Interactive Revenues

In line with increasing mobile interactivity with radio, the Division in conjunction with ***easyfm*** carried out a one-of-a-kind reverse bidding concept. Unlike traditional auctions where the highest bid wins, here the lowest unique bidder wins. Revenues are earned through Premium Rate SMSs as subscribers try to out-bid each other.

This initiative's compelling interactive format leveraged the Group's cross media platforms, generated mobile telephony revenues and positively contributed to the Group's media convergence initiatives and the station's audience growth. In September, the division launched an interactive TV game show – Kwizzikal, whereby audiences were able to participate in a quiz show from the comfort of their living rooms with the winners being announced at the end of the show. These initiatives form the basis for the digital division's aggressive thrust into the digital media space. They combine innovation and creativity and are breaking new ground for digital products in the region.

The digital management team intends to leverage on these initiatives to grow the Group's share of digital revenues in the East African market and consolidate its leadership in this market segment in future.

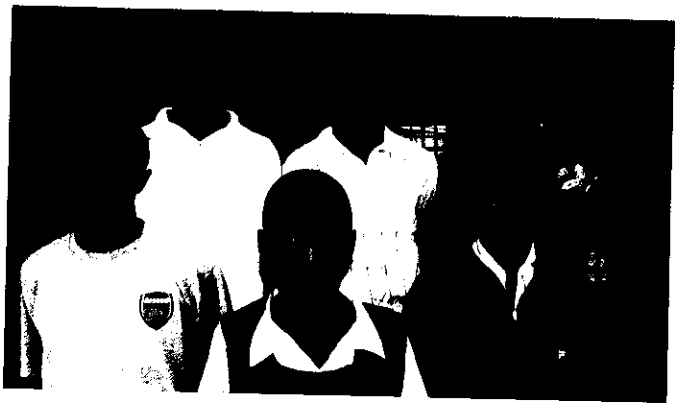
..this initiative will form the basis of an aggressive effort to commercialise the Group's production library...

Corporate Social Responsibility

We believe in the development of an informed perspective that enables communities to fulfill their true potential. The Group maintained a strong Corporate Social Investment presence in education, health and environment.

Education

In the education sector, the Group offered scholarships to eight bright students from challenging backgrounds who show promise in their academic and leadership ability. The total number of students sponsored has now reached 16.



Some of the beneficiaries of the NMG secondary school scholarships in partnership with Palmhouse Foundation.

Health

Equal attention was given to the health sector. The Group sponsored staff in the Mater Heart Run and the annual Standard Chartered "Seeing is Believing" marathon. We also supported the Diabetes fund through golf sponsorship and breast cancer awareness in October.

Staff members warming up before the Mater Heart Run held in May 2008.

Environment

We were involved in several major tree planting initiatives, including one in Kiambere, Mbeere District, where 1,200 trees were planted. Another 1,000 seedlings were planted at Masinga Dam. Most of these activities were spear-headed by the Group's Green Brigade comprising staff members.

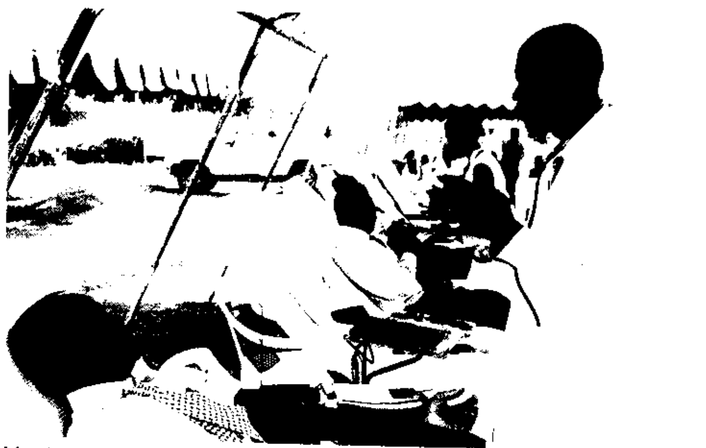
Uganda

In Uganda, the Monitor Publications Ltd initiated a project titled "Newspapers in Education" (NIE) which involved publishing past examination papers and other educational material in the Daily Monitor, some of which were then donated to schools. The project was highly successful and is a continuing initiative.

Pupils of Nakasero Primary School enjoying a newspaper reading session.

Monitor Publications blood donation drive

Monitor Publications staff initiated a blood donation drive to help in the supply of much needed blood in hospitals.



Monitor Publications MD Tom Mshindi leads the way in a blood donation drive.

Tanzania

In Tanzania, Mwananchi Communications Ltd participated in a highly successful civic education programme which involved members of the public nominating public officials who they felt had gone beyond the call of duty in serving them. The officials nominated were then recognised for their contribution to national development.

Innovation

And the Cheetahs are..

"There are two generations in Africa, according to economist George Ayittey. The Cheetah Generation and the Hippo Generation. Cheetahs seek knowledge, innovation and look for solutions to their problems while Hippos blame others, seek handouts and generally drive our continent to the ground". In 2008, Nation Media Group, under the ***Business Daily*** brand and in partnership with KPMG, conducted the inaugural Kenya Top 100 Mid-sized Companies Survey. The aim was to identify Kenya's fastest growing medium sized companies in order to showcase business excellence and highlight some of the country's most successful entrepreneurship stories- the real cheetahs of Kenya's economy!

The survey, the first of its kind in East Africa, was for companies with a turnover of Kshs 70 million to Kshs 1 billion, with a three year audited financial track record and not listed on a stock exchange. The ***Business Daily*** and KPMG wanted to celebrate the entrepreneurs that have contributed to wealth and job creation in this country and who are good role models for the youth in Kenya. In supporting growth of entrepreneurship skills in the country, we would also be building a vibrant business community that will continue using our services to stay informed about the business world.

The Kenya Top 100 initiative recognised 100 companies within the medium sized category out of entries in excess of 450. The Top 100 were those who had shown the best in revenue growth, shareholder value, and return on investment as well as robust sustainable corporate social investments.

Mr. Ken Njoroge, CEO of Cellulant Kenya, the best overall company in the KenyaTop100 Mid-sized Company Awards 2008.

This initiative has seen the ***Business Daily*** grow its reader engagement significantly as well as grow its market share. It has achieved the 'first-read' status for top decision makers. We will be looking forward to an even more successful 2009 Kenya Top 100 event.

Another first for the Nation Media Group

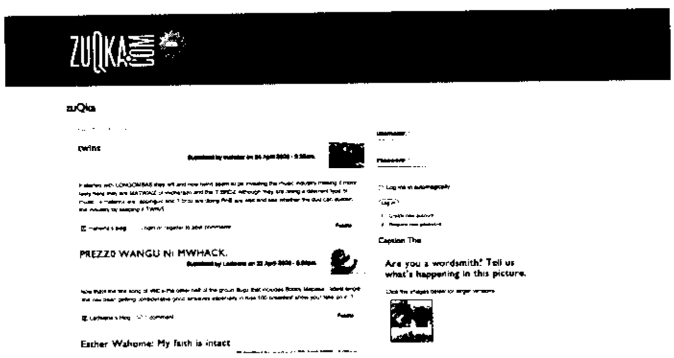
In 2008, ***Daily Nation*** managers were brooding over what next for the Friday Nation. After a very successful jobs segment, there was a feeling that time was ripe for change. On reviewing immense pages of research, it was clear that the next frontier was going to come from discovering a formula for the youth and the young at heart.

However, considering the explosion of media options available now and knowing all too well the future is on virtual platforms, the ***Daily Nation*** team decided to embrace media convergence by making traditional media play with new media. This gave birth to the concept of ZuQka-Swahili word zuka meaning emerge but with a twist of Q! A first in media in Africa, ZuQka was developed as a product where interplay between online and print was to be used to deliver great content both ways and also serve as a great beginning to citizen journalism where content posted online would find its way onto the printed word and vice versa.

Launched in December 2008 ZuQka became an instant hit online and in print raising the Daily Nation market share on Friday from 65% to 67%. With many entertainment media products available on the market, no single product had been able to comprehensively address the broad weekend needs of a wider target market that is on the lookout for weekend entertainment news with most products on the market covering a narrowly defined target group. The launch of ZuQka.com social website and ZuQka Magazine in the ***Daily Nation*** on Friday sought to fill this gap in terms of delivering the definitive entertainment and lifestyle media.

Covering the whole entertainment and weekend lifestyle arena from nightlife to fashion, music scene to tech gadgets, ZuQka comprises a unique convergence platform between print and digital media, an exciting proposition to consumers of entertainment media where for the first time, consumers get to determine the weekend entertainment content they would like to appear on a print medium by voting popular stories online hence creating the first truly interactive print medium.

With ZuQka, you can BE FAMOUS!
Visit www.zuqka.com



Innovation continued

CEO's Most Respected Company Awards

The 9th East Africa's Most Respected Company Awards event was held on 28th November, 2008 under the rebranded name CEOs Most Respected Company Awards - East Africa at a colourful gala event in Kampala, Uganda. The rebranding of the awards from EAMRC to CMRC-EA arose from the decline in interest levels from among CEOs in the region mainly as a result of a lack of clear understanding of the awards process.

The aim of relaunching the rebranded awards was therefore to generate renewed interest among CEOs by creating greater awareness and value addition to the awards process.

Notable improvements in 2008 included benchmarking the East African survey with the Global CEO Survey which provided, for the first time, the opportunity for inclusion of excerpts from the survey in the World Economic Forum, Davos report. Other improvements included a CNBC Africa produced round table session with CEOs and business leaders from the region that was broadcast across the continent via CNBC'S Africa feed. Over 200 corporate heads and business leaders in the region participated in the survey under the theme "Growth in a Changing Market" culminating in the grand gala event in Kampala where the winners were announced. The telecommunications sector dominated the awards with Safaricom Limited emerging the overall winner. The event was a partnership between the Nation Media Group (under The East African publication) and PricewaterhouseCoopers.

NMG CEO Linus Gitahi (left) with some of the winners: Paul Kasimu, HR Director, Kenya Airways (2nd Overall winner), Peter Arina, Chief Commercial Officer- Safaricom Ltd,(Overall Winner), Basher Arafeh, Chief Operating Officer, Zain East Africa (3rd Overall winner) and PWC country leader, Charles Muchene during the CEO's Most Respected Company Awards presentation held in November at Serena Hotel, Kampala.

East African Business Summit 2008

As the leading media group in the region, Nation Media Group continued to play a key role in growing the East African market by co-sponsoring The East African Business Summit, held in Kampala in July 2008. The Summit brings together the best business minds in the region to engage with key public sector players with a view to speeding up the economic transformation of East Africa.

150 business leaders from across East Africa gathered in Kampala to deliberate on how to improve the region's competitiveness in the global arena. The East African Business Summit was officially opened by H.E Yoweri Museveni, President of the Republic of Uganda and was attended by a number of ministers and other public sector players. Its aim was to deliver new knowledge, tangible investment and policy suggestions for application by governments and businesses.

The Summit was established in 2002 in recognition of the need for the private sector to be part of the solution in dealing with the challenges facing the region. The Summit is a forum whereby leaders in the private and public sector come together to exchange thoughts and ideas which individuals take responsibility to push implementation through registered business associations. Plenary sessions were led by such luminaries as Prof Michael Porter of the Harvard Business School and discussed issues such as competitiveness, gaining competitive advantage through business model innovation , private sector engagement in public policy formulation and building great East African brands. A Round Table made up of five summit participants was set up to take specific action both short and long term on agreed priority areas including engaging the top leadership of each country quarterly on major issues affecting the competitiveness of East Africa.

Some of East Africa's leading Chief Executives present at the CEO's Most Respected Company Awards held in Kampala.

Human Resource

Launch of the 'Nation Way'

After close to two years of engaging staff and involving them in defining the Nation Media Group corporate culture, the 'Nation Way' was launched in 2008 at our Kenya offices. Underscoring their ownership and responsibility, staff members delivered a theatrical interpretation which they scripted, produced and staged. Defining the workplace culture has resulted in the adoption of common professional behaviour in the work place and greatly improved work relations.

We have defined our culture in values which are also expressed in art form. The icons and posters are mounted in our offices and are constant reminders of our commitment to our new culture. The launch was preceded by change training programme on personal empowerment.

The culture change program will soon be launched in our Uganda and Tanzania offices respectively.

A scene from the Nation We Want play dramatizing key enablers and disablers of the Nation Way.

Media Lab Training

We successfully graduated our first Media Lab class in May 2008. This is a talent development program that focuses on developing a journalism talent pool for the Group.
Raw talent is tapped through well synchronised talent search presentations conducted across all private and public universities in the 3 East African countries. 21 trainees (12 from Kenya, 5 from Uganda, and 4 from Tanzania) successfully finished the first training program and have been deployed to their respective country offices. The 12 module training programme attempts to strengthen the editorial writing and content across NMG's journalism platforms. Feedback on the program has been very positive as the program's graduates are of high calibre and are definitely providing the organization with the required talent resource pool. Media Lab 2 with 20 graduate trainees commenced in August 2008. Majority of the trainees within Media Lab 2 have been sourced from Tanzania and Uganda.

Inaugural Media Lab Class of 2008.

Talent Management

Talent Reviews

The biggest challenge facing most organizations today is keeping their best people. Talent is everything to an organization and we therefore need our best people to stay with us longer, remain fully engaged and produce at their peak as they are crucial to our success. In a bid to ensure identification of our key talent as an organization, we rolled out talent review sessions in three of our main divisions namely Advertising, Editorial and Broadcasting at our head office. The process has proven to be very useful for the business as we now know the various skills and strengths within our key staff and will work towards putting in place clear retention strategies, focused training and development programmes, mentoring and coaching programs. This program is soon to be rolled out across our other Group offices and is expected to improve our overall staff performance and delivery.

Internships

Cross system training:

To enhance cross system skills sharing and transfer amongst our key business areas, we carried out cross-system training with our MCL (Tanzania) and MPL (Uganda) subsidiaries. Over 30 regional employees went through the program providing them with exposure to best practices from NMG head offices. Going forward, we will in addition give similar exposure to our head office employees in the regional markets.

Human Resource continued

Mombasa Bureau sports day soccer match.

Team Building Activities:

This year, during our annual staff sports event, HR decided to invite our business partners to our bureau office sports activities. This saw the invitation of distributors, advertisers and business partners who came and interacted with NMG staff. This has gone a long way in building business partnerships, enhancing relationships and has increased shareholder value in terms of an improved corporate image.

Rewards and Benefits:

We recognize the need to retain benefits which our staff find relevant to their needs. To this end, we reviewed our incentive policies to reward staff for their contributions to the business. The new bonus structure recognizes individual performance and seeks to reward achievements at divisional and group level. This incentive has been widely accepted by our staff, as they can clearly see the link between their own individual efforts to the business performance. They are now motivated to meet and exceed set goals as they know what specific reward is set per achievement.

We have recently reviewed our staff housing assistance mortgage scheme, by expanding the limits and negotiated favourable interest rate, to develop and own homes. We reviewed the loan amounts allowable at each level to ensure that they remain relevant to changing costs of homes. This will serve as a good retention strategy for employees who are keen to improve their personal circumstances and create wealth.

In a further attempt at ensuring we retain the best talent, MCL Tanzania and MPL Uganda introduced a car loan facility for its management team. This has been modelled against the NMG policy and has gone a long way in motivating staff.

Innovations:

We recently automated our leave management processes to create more efficiencies and free time to engage in other value adding activities. This tool now enables staff to better plan their leave and empowers line managers with information to ensure services are not compromised as they allow staff to take leave. In addition, managing leave arrears has become easier and this has reduced leave liability and exposure for the company. This process will be rolled out to MCL and MPL in 2009.

Staff Welfare:

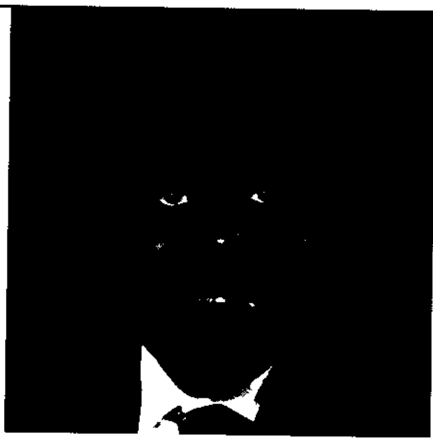
As part of the employee-assisted and wellness programme, we have organised staff awareness programmes with teams of experts to sensitise employees on cervical and breast cancer, the most prevalent of all cancers. We also continue to provide staff with awareness on HIV/AIDS and offer medical support to those infected. We appreciate that our staff go through a number of challenges as they perform their duties, and this can easily contribute to high stress levels, we have engaged external counsellors who are available at any time, to listen and speak to our staff and help them cope with situations they may find difficult to discuss with supervisors. This also works well in providing a fall back for our news gatherers as they come across traumatic incidents which may pose psychological challenges to them.

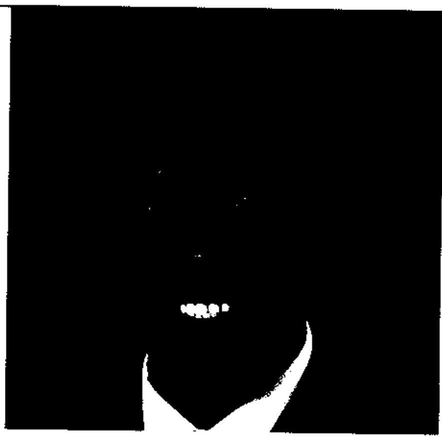
We appreciate and acknowledge all those who have contributed to the achievement of these key goals, and look forward to a great 2009 as we work together to attract and retain the best staff in the industry.

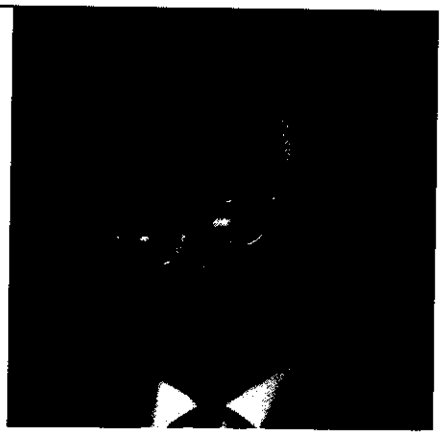
Board of Directors

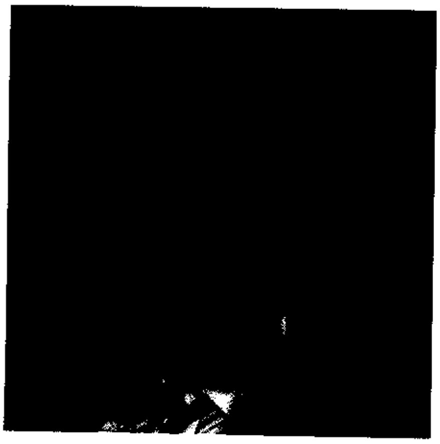
Chairman (Ugandan)	**M J Aliker**	Mwenyekiti (Muganda)
Chief Executive/ Managing (Kenyan)	**L W Gitahi**	Mrasimu mkuu/Msimamizi (Mkenya)
Appointed 26 March 2009 (Kenyan)	**D Aluanga**	(Mkenya) Aliteuliwa 26 Machi 2009
Resigned 29 May 2008 (Kenyan)	**A Bekah**	(Mkenya) Alijiuzulu 29 Mei 2008
(Kenyan)	**S Gitagama**	(Mkenya)
(American)	**L Huebner**	(Muamerikani)
(Kenyan)	**W D Kiboro**	(Mkenya)
(British)	**J Lee**	(Mwingereza)
(Tanzanian)	**A Mufuruki**	(Mtanzania)
(Kenyan)	**F O Dkello**	(Mkenya)
(French)	**A Poonawala**	(Mfaransa)
Resigned 18 September 2008 (British)	**V Unwin**	(Mwingereza) Alijiuzulu 18 Septemba 2008
(Irish)	**G M Wilkinson**	(Mua-Irish)
Secretary	**J C Kinyua**	Katibu
Registered Office	**Nation Centre Kimathi Street P O Box 49010 00100 Nairobi**	Afisi ilikoandikishwa
Advocates	**Kaplan & Stratton George Williamson Hause 4th Ngong Avenue Nairobi**	Wakili
Auditors	**PricewaterhauseCoopers The Rahimtulla Tower Upper Hill Road Nairobi**	Wakaguzi wa Hesabu
Bankers	**Standard Chartered Bank of Kenya Limited Stanbonk House Mai Avenue Nairobi**	Benki

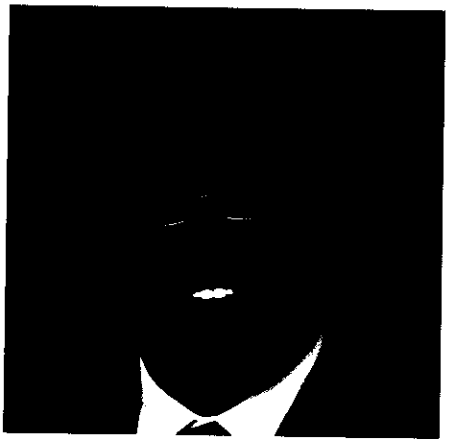
Board of Directors


Dr Martin Aliker


Mr Linus Gitahi


Mr Gerard Wilkinson


Mr James Lee


Mr Stephen Gitagama


Mr Wilfred Kiboro

Dr Martin Aliker holds a Bachelor of Medicine (Dental) from Northwestern University, USA. He is a retired Dental Surgeon based in Uganda and joined the board in June 2001. He is the Chairman of the board and also of Monitor Publications Limited, Heritage Oil and Gas Company Limited, National Insurance Corporation and Hima Cement all in Uganda. He serves on the Strategic Planning Committee.

Mr Linus Gitahi holds an MBA from USIU and a Bachelor of Commerce (Accounting) from the University of Nairobi. He is the Group Chief Executive Officer and joined the board in December 2006. He previously worked with a leading pharmaceutical company as Managing Director based in Nigeria. He is a director of the Group's subsidiary companies and Property Development and Management. Mr Gitahi is an ex-officio member of all the board committees

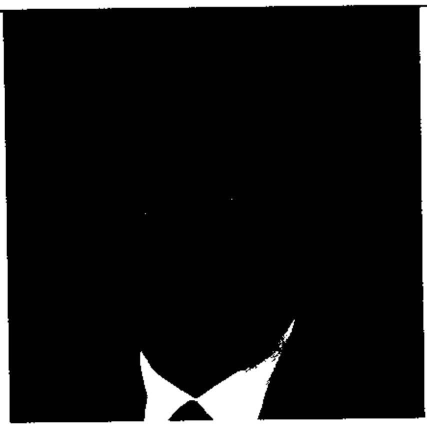
Mr Gerard Wilkinson holds a BA, MEcon.Sc and MS from Ireland and the United States of America. He lectured at the School of Business, University College Dublin. He has served as a senior executive at Independent Newspapers, Dublin, Managing Director, Nation Newspapers and Head of Public Affairs at the Aga Khan Secretariat in Paris, France. He initially served on the board from September 1973 until 1980 and rejoined the board in April 1983. Mr Wilkinson is the Chairman of the Nominations Committee and serves on the Strategic Planning and the Editorial Committees.

Mr James Lee holds an MBA from Harvard University and began his career as a Director of McKinsey & Company. He has since had a distinguished career with the international media. He was formerly CEO of the Pearson Group in the United Kingdom; Deputy Chairman of Yorkshire Television and Chairman of Goldcrest Films and TV. He was appointed to the board in December 2001. He chairs the Finance and Audit Committee and serves on the Remuneration and the Strategic Planning Committees.

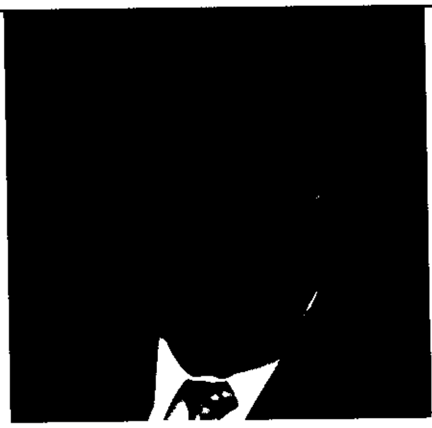
Mr Stephen Gitagama holds an MBA and a Bachelor of Commerce (Accounting) from the University of Nairobi and is a Certified Public Accountant of Kenya. He is the Group Finance Director and was appointed to the Board in March 2008. He previously worked with East African Breweries Ltd as a Finance Director. Mr. Gitagama is a director of the Group's subsidiary companies.

Mr Wilfred Kiboro holds a Bachelor of Science (Civil Engineering) from the University of Nairobi and retired as the Group Chief Executive Officer on 31st October 2006 after working for the company for thirteen years. He was appointed a non-executive director in December 2006. He serves on the Strategic Planning and the Nominations Committees. Mr Kiboro is a director of East African Breweries Limited, Standard Chartered Bank Kenya Limited and Chairman of Wilfay Investments Limited.

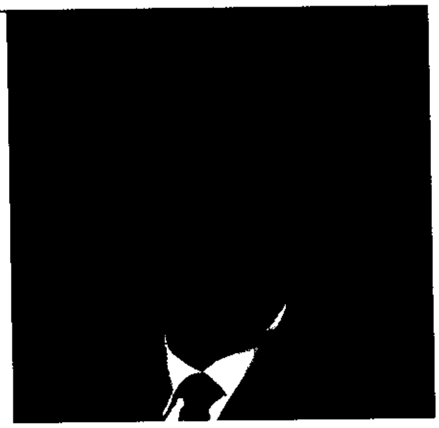
Board of Directors continued



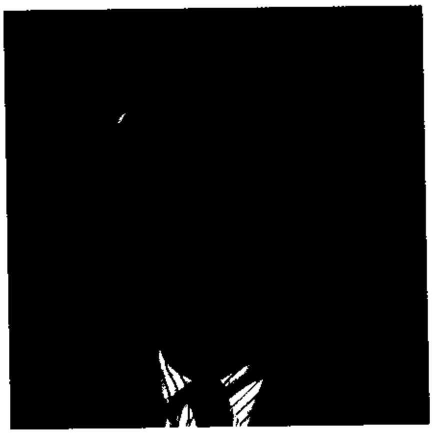
Mr Francis O. Okello



Mr Ali Mufuruki

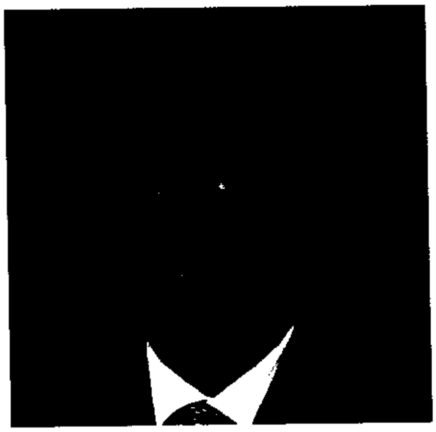


Mr Anwar Poonawala



Prof. Lee Huebner

Mr Dennis Aluanga



Mr James Kinyua

Mr Francis O. Okello holds a Bachelor of Laws Degree from the University of Dar es Salaam, Tanzania and is an Advocate of the High Court of Kenya, an Albert Parvin Fellow of Princeton University as well as a Fellow of the Kenya Institute of Bankers (FKIB). He is the Head of Legal and Corporate Affairs at Industrial Promotion Services Group of Companies. He joined the board in December 1995. He is the Chairman of Barclays Bank of Kenya Limited and TPS Eastern Africa Limited (Serena Group of hotels and lodges). Mr Okello is the Chairman of the Editorial Committee and serves on the Remuneration Committee.

Mr Ali Mufuruki holds a Bachelor of Science (Mechanical Engineering) from the Fachhochschule for Technology and Economics in Reutlingen, Germany. He is a businessman and Chairman of Infotech Investment Group Limited based in Tanzania. He joined the board in March 2006. He is the Chairman of Mwananchi Communications Limited, the Group's subsidiary in Tanzania, a Director of TPS Eastern Africa Limited (Serena Group of hotels and lodges) and Bank of Tanzania. Mr Mufuruki is the Chairman of the Remuneration Committee and serves on the Finance and Audit and the Editorial Committees.

Mr Anwar Poonawala holds a Master of Science (Industrial Engineering) and an MBA from the United States of America. He joined the board in June 1989. He has been associated with the Aga Khan Development Network for over thirty years and retired in 2006 as the director of Industrial Promotion Services based in Paris, France. Mr Poonawala is a director of AKFED. He serves on the Finance and Audit and the Nominations Committees.

Prof. Lee Huebner is Director of the School of Media and Public Affairs at The George Washington University in Washington, D.C. (USA). He was formerly a professor at Northwestern University and has also served as Chief Executive Officer of the International Herald Tribune in Paris for fourteen years. He joined the board in December 1995. Prof. Huebner is the Chairman of the Strategic Planning Committee and serves on the Nominations and the Editorial Committees.

Mr Dennis Aluanga holds an MBA from the University of Edinburgh (United Kingdom) and is a Certified Public Accountant of Kenya. He was previously the Group Finance Director and then Chief Operating Officer of NMG before taking up a similar position at Industrial Promotion Services Group of Companies. He is a director of Property Development and Management Limited.

Mr James Kinyua (Company Secretary), holds a Bachelor of Laws (Hons.) from the University of Sheffield (United Kingdom) and a Bachelor of Arts (Political Science) from York University (Canada). He is an Advocate of the High Court of Kenya and is also a Certified Public Secretary of Kenya (CPS). He was appointed the Company Secretary in July 1998 and heads the Legal and Administration department. He is a director of the Group's subsidiary companies.

Directors' Report

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 December, 2008, which disclose the state of affairs of Nation Media Group Limited (the company) and its subsidiaries (together the Group).

PRINCIPAL ACTIVITIES

The principal activities of the Group are the publication, printing and distribution of newspapers and magazines, and radio and television broadcasting, in the East African countries of Kenya, Uganda and Tanzania.

GROUP RESULTS

The results of the Group for the year are set out in the Group profit and loss account on page 28.

DIVIDENDS

The directors recommend the payment of a final dividend of Shs.4.00 per share (160%) on the issued share capital at 31 December 2008, which together with the interim dividend of Shs.1.50 per share (60%) paid on 30 September 2008, makes a total of Shs.5.50 per share (220%) in respect of the year ended 31 December, 2008.

DIRECTORS

The directors who held office during the year and to the date of this report are set out on page 21.
Mr D Aluanga was appointed to the Board on 26 March, 2009 and retires as a director in accordance with Article 96 of the Company's Articles of Association and being eligible, offers himself for election.

Prof. L Huebner, Mr A Poonawala and Mr G M Wilkinson; directors who retire by rotation in accordance with Article 110 of the Company's Articles of Association, and being eligible, offer themselves for re-election.

Dr M J Aliker, a director who retires in accordance with Article 101 of the Company's Articles of Association and who is over the age of 70, shall notwithstanding that fact, be re-elected as a director of the Company for a further period of one year.

INVESTMENTS

In the course of the year, Nation Media Group Limited acquired the 40% shares owned by the founders of Mwananchi Communications Limited and 51% of the shares in Radio Uhuru Limited. The group now owns 100% shares in the two subsidiary companies, which are incorporated in Tanzania.
Nation Media Group Limited also acquired the 10% shares held by the minority interest in East Africa Televisions Network Limited. The company is now 100% wholly owned by Nation Media Group Limited.

AUDITOR

The Company's auditor PricewaterhouseCoopers has expressed willingness to continue in office in accordance with Section 159(2) of the Companies Act (Cap 486) Laws of Kenya.

By order of the Board

J C Kinyua
Secretary
26 March, 2009

Taarifa ya Wakurugenzi

Wakurugenzi wanafuraha kuwasilisha ripati na taarifa za kifedha zilizokaguliwa kwa mwaka uliomalizikia Desemba 31, 2008, ambaza zinaweka wazi hali halisi ya shughuli za Natian Media Graup Limited (Kampuni) na mashirika dau yake (pamaja na Kampuni kuu).

SHUGHULI MUHIMU

Shughuli kuu za Kampuni ni, uchapishaji, kupiga chapa na usambazaji wa magazeti na majarida na utangazaji wa redio na televisheni kwenye mataifa ya Afrika Mashariki ikiwepo Kenya, Uganda na Tanzania.

MATOKEO YA KAMPUNI

Matokeo ya kampuni ya mwaka hua yameelezewa kwa kina kwenye kitenga cha faida na hasara katika Ukurasa wa 28.

MGAWO

Wakurugenzi wanapendekeza malipo ya mgawa wa mwisho wa Shs.4.00 kwa kila hisa (asilimia 160) ya mtaji wa hisa kufikia Desemba 31, 2008, ambayo ni pamoja na mgawo wa muda wa Shs.1.50 kwa hisa (asilimia 60) iliyolipwa Septemba 30, 2008, inafanya jumla ya Shs.5.50 kwa hisa (asilimia 220) kuambatana na mwaka uliomalizikia Desemba 31, 2008.

WAKURUGENZI

Wakurugenzi waliokuwa afisini katika mwaka hua hadi tarehe ya ripati hii wameelezewa katika Ukurasa wa 21.
Bw D Aluanga aliteuliwa kwenye kamati ya wakurugenzi tarehe 26 Machi 2009 na anastaafu kama mkurugenzi kulingana na kifungu 96 cha kanuni za msingi za ushirikiana wa kampuni na kwa kuwa anastahili, anajitolea kwa uchaguzi.

Prof. L Huebner, Bw A Paonawala na Bw G M Wilkinson; wakurugenzi wanaostaafu kwa zamu kuambatana na Kifungu cha 110 cha Sheria za kiushirika za Kampuni na, kwa kuwa wana fursa ya kuingia ulingoni tena, wanajiwasilisha kuchaguliwa upya.

Dkt M J Aliker, mkurugenzi ambaye anastaafu kulingana na Kifungu cha 101 cha Sheria ya kiushirika ya Kampuni na ambaye amepitisha umri wa miaka 70 atachaguliwa tena kama mkurugenzi wa kampuni kwa kipindi cha mwaka moja bila kuangalia kanuni za kifungu hicha.

UWEKEZAJI

Katika mwaka huo, Natian Media Group ilinunua asilimia 40 ya hisa zilizamilikiwa na waanzilishi wa kampuni ya Mwananchi Communications Limited na asilimia 51 ya hisa zilizoshikiliwa na Radia Uhuru, kampuni zote hizi zikiwa Tanzania na ambazo hivi sasa ni mashirika dau yanayomilikiwa na NMG kwa asilimia 100.

Katika mwaka huo, Natian Media Group ilinunua asilimia 10 ya hisa katika kampuni ya East Africa Televisions Network Limited na ambayo hivi sasa ni kampuni dau inayomilikiwa na NMG kwa asilimia 100.

WAKAGUZI WA MAHESABU YA KIFEDHA

Wakaguzi wa mahesabu ya kifedha wa kampuni, PricewaterhouseCoopers wameonyesha nia ya kuendelea na shughuli ya ukaguzi wa kifedha kulingana na kifungu cha 159(2) cha Sheria za Kampuni (Ibara ya 486) ya Sheria za Kenya.

Kwa amri ya Halmashauri,

J C Kinyua
Katibu wa Kampuni

Machi 26, 2009

Statement of Directors' Responsibilities

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Group and of the company as at the end of the financial year and of the Group profit or loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Kenyan Companies Act. The directors are of the opinion that the accounts give a true and fair view of the state of the financial affairs of the company and the Group and of the Group's profit. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Nothing has come to the attention of the directors to indicate that the company and its subsidiaries will not remain a going concern for at least 12 months from the date of this statement.

M J Aliker

S Gitagama

26 March, 2009

Report of the Independent Auditor to the Members of Nation Media Group Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Nation Media Group Limited (the company) and its subsidiaries (together, the group), as set out on pages 28 to 60. These financial statements comprise the consolidated balance sheet at 31 December 2008 and the consolidated profit and loss account, statement of changes in equity and cash flow statement for the year then ended, together with the balance sheet of the company standing alone as at 31 December 2008 and the statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Kenyan Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the group and of the company at 31 December 2008 and of the profit and cash flows of the Group for the year then ended in accordance with International Financial Reporting Standards and the Kenyan Companies Act.

Report on other legal requirements

The Kenyan Companies Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) 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;
ii) in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books;
iii) the company's balance sheet is in agreement with the books of account.

PRICEWATERHOUSECOOPERS

Certified Public Accountants
Nairobi

26 March, 2009

Group Profit and Loss Account for the year ended 31 December

	Note	2008 Shs m	2007 Shs m
Sales	5	8,251.5	7,685.6
Cost of sales		(1,652.3)	(1,629.5)
Gross profit		6,599.2	6,056.1
Other income	8(a)	109.8	104.3
Distribution costs		(298.7)	(234.2)
Administrative expenses		(747.0)	(752.7)
Other operating expenses		(3,756.1)	(3,557.2)
Finance costs	8(b)	(27.0)	(48.1)
Share of profit of associates	18	30.1	33.4
Profit before income tax		1,910.3	1,601.6
Income tax expense	9	(614.4)	(525.2)
Profit for the year		1,295.9	1,076.4
Attributable to:			
Equity holders of the company		1,287.4	1,089.6
Minority interest		8.5	(13.2)
		1,295.9	1,076.4
Earnings per share attributable to the equity holders of the company			
Basic earnings per share (Shs)	10	9.0	7.6

Dividends:

	Note	2008 Shs m	2007 Shs m
Interim dividend - paid in the year	24	213.9	213.9
Proposed final dividend for the year	24	570.4	534.8
		784.3	748.7

Balance Sheet as at 31 December

	Note	Group 2008 Shs m	Group 2007 Shs m	Company 2008 Shs m	Company 2007 Shs m
CAPITAL EMPLOYED					
Capital and reserves attributable to equity holders					
Share capital	11	356.5	356.5	356.5	356.5
Other reserves	12	84.8	77.9	75.1	77.0
Retained earnings		3,316.0	2,854.6	3,415.6	2,896.2
Proposed dividends	24	570.4	534.8	570.4	534.8
		4,327.7	3,823.8	4,417.6	3,864.5
Minority interest		(13.1)	(87.8)	-	-
Total equity		4,314.6	3,736.0	4,417.6	3,864.5
Non-current liabilities					
Long-term borrowings	13	79.7	204.5	-	-
Deferred income tax liabilities	14	51.5	62.7	76.0	79.9
		131.2	267.2	76.0	79.9
Total equity and non-current liabilities		**4,445.8**	**4,003.2**	**4,493.6**	**3,944.4**
Non-current assets					
Property, plant and equipment	15	1,819.3	1,772.5	1,363.4	1,379.2
Intangible assets	16	319.7	86.9	126.2	59.5
Prepaid operating lease rentals	17	93.2	90.5	50.7	51.4
Investment in associates	18	358.7	334.3	94.6	94.6
Investment in subsidiaries	19	-	-	812.7	382.4
		2,590.9	2,284.2	2,447.6	1,967.1
Current assets					
Inventories	20	912.2	391.1	808.9	314.7
Receivables and prepayments	21	1,796.6	1,300.4	1,597.0	1,207.6
Cash and cash equivalents	22	1,306.3	1,915.4	1,216.1	1,848.7
Currrent income tax		12.7	7.5	12.2	7.6
		4,027.8	3,614.4	3,634.2	3,378.6
Current liabilities					
Payables and accrued expenses	23	2,105.6	1,811.0	1,588.2	1,401.3
Borrowings	13	58.1	82.0	-	-
Currrent income tax		9.2	2.4	-	-
		2,172.9	1,895.4	1,588.2	1,401.3
Net current assets		1,854.9	1,719.0	2,046.0	1,977.3
		4,445.8	**4,003.2**	**4,493.6**	**3,944.4**

The financial statements on pages 28 to 60 were approved for issue by the board of directors on 26 March 2009 and signed on its behalf by

M J Aliker

S Gitagoma

Group Statement of Changes in Equity

for the year ended 31 Dec

Attributable to equity holders of the company

	Note	Share capital Shs m	Other reserves Shs m	Retained earnings Shs m	Proposed dividends Shs m	Minority interest Shs m	Total equity Shs m
Year ended 31 December 2007							
At start of year		356.5	4.7	2,513.7	713.0	(91.2)	3,496.7
Revaluation gain		-	110.0			-	110.0
Deferred tax on revaluation	14	-	(33.0)	-	-	-	(33.0)
Curreny translation differences			(3.8)	-		(0.9)	(4.7)
Net gains recognised directly in equity		-	73.2	-	-	(0.9)	72.3
Capital contribution			-	-		17.5	17.5
Profit (loss) for the year		-	-	1,089.6	-	(13.2)	1,076.4
Total recognised in 2007		-	73.2	1,089.6	-	3.4	1,166.2
Dividends:							
- special for 2006 paid		-	-	-	(356.5)		(356.5)
- final for 2006 paid	24		-	-	(356.5)	-	(356.5)
- interim for 2007 paid	24	-	-	(213.9)	-	-	(213.9)
proposed final for 2007	24	-	-	(534.8)	534.8		-
At end of year		**356.5**	**77.9**	**2,854.6**	**534.8**	**(87.8)**	**3,736.0**
Year ended 31 December 2008							
At start of year		356.5	77.9	2,854.6	534.8	(87.8)	3,736.0
Transfer of excess depreciation	12	-	(2.7)	2.7	-	-	
Deferred income tax thereon	12	-	0.8	(0.8)	-	-	-
Currency translation differences		-	8.8	-	-	2.0	10.8
Net gains recognised directly in equity		-	6.9	1.9	-	2.0	10.8
Purchase of minority interests in Mwananchi Communications Limited	19	-	-			26.3	26.3
Dilution of minority interests in Mwananchi Communications Limited		-	-	(43.6)	-	43.6	-
Profit for the year		-	-	1,287.4	-	8.5	1,295.9
Total recognised in 2008		-	6.9	1,245.7	-	80.4	1,333.0
Dividends:							
- Dividends paid by Monitor Publications Limited attributable to minority interest		-		-	-	(2.3)	(2.3)
- final for 2007 paid			-		(534.8)	-	(534.8)
interim for 2008 paid	24	-	-	(213.9)	-	-	(213.9)
- proposed final for 2008				(570.4)	570.4		-
- proposed final dividends for 2008 by Monitor Publications Limited attributable to minority interest	24	-		-	-	(3.4)	(3.4)
At end of year		**356.5**	**84.8**	**3,316.0**	**570.4**	**(13.1)**	**4,314.6**

Company Statement of Changes in Equity

for the year ended 31 Dec

	Note	Share capital Shs m	Other reserves Shs m	Retained earnings Shs m	Proposed dividends Shs m	Total Shs m
Year ended 31 December 2007						
At start of year		356.5	(0.0)	2,510.6	713.0	3,580.1
Revaluation gain		-	110.0	-	-	110.0
Deferred tax on revaluation	14	-	(33.0)	-	-	(33.0)
Net gains recognised directly in equity		-	77.0	-	-	77.0
Profit for the year		-	-	1,134.3		1,134.3
Total recognised in 2007		-	77.0	1,134.3	-	1,211.3
Dividends:						
special for 2006 paid		-	-	-	(356.5)	(356.5)
- final for 2006 paid		-	-	-	(356.5)	(356.5)
- interim for 2007 paid	24	-	-	(213.9)	-	(213.9)
- proposed final for 2007	24	-	-	(534.8)	534.8	-
At end of year		**356.5**	**77.0**	**2,896.2**	**534.8**	**3,864.5**
Year ended 31 December 2008						
At start of year		356.5	77.0	2,896.2	534.8	3,864.5
Transfer of excess depreciation	12	-	(2.7)	2.7	-	-
Deferred income tax thereon	12	-	0.8	(0.8)	-	-
Net gains recognised directly in equity		-	(1.9)	1.9	-	-
Profit for the year		-	-	1,301.8	-	1,301.8
Total recognised in 2007		-	(1.9)	1,303.7	-	1,301.8
Dividends:						
- final for 2007 paid		-	-	-	(534.8)	(534.8)
- interim for 2008 paid	24		-	(213.9)	-	(213.9)
- proposed final for 2008	24	-	-	(570.4)	570.4	-
At end of year		**356.5**	**75.1**	**3,415.6**	**570.4**	**4,417.6**

Group Cash Flow Statement for the year ended 31 December

	Note	2008 Shs m	2007 Shs m
Operating activities			
Cash generated from operations	26	1,450.7	2,130.5
Interest received	8 (c)	109.8	104.3
Interest paid	8 (b)	(27.0)	(48.1)
Tax paid		(624.0)	(558.0)
Net cash from operating activities		909.5	1,628.7
Investing activities			
Purchase of property, plant and equipment	15	(374.0)	(400.4)
Purchase of computer software	16	(94.3)	(46.3)
Proceeds from sale of property, plant and equipment		3.8	33.3
Capital contribution by minority shareholders		-	17.5
Purchase of minority shareholders		(138.8)	-
Dividends received from associate	18	5.7	5.5
Net cash used in investing activities		(597.6)	(390.4)
Financing activities			
Repayment of borrowings		(148.7)	(67.7)
Dividends paid		(748.7)	(926.9)
Dividends paid to minority shareholders		(2.3)	-
Net cash used in financing activities		(899.7)	(994.6)
(Decrease)/increase in cash and cash equivalents		(587.8)	243.7
Movement in cash and cash equivalents			
At start of year		1,915.4	1,681.1
(Decrease)/increase		(587.8)	243.7
Translation of net investment in foreign subsidiaries		(21.3)	(9.4)
At end of year		1,306.3	1,915.4

Notes to the Financial Statements

1. General information

Nation Media Group Limited is incorporated in Kenya under the Kenya Companies Act as a public limited liability company, and is domiciled in Kenya. The address of its registered office is:

Nation Media Group Limited
Nation Centre
Kimathi Street
P O Box 49010 00100
Nairobi

The company's shares are listed on the Nairobi Stock Exchange.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Kenya Shillings (Shs), rounded to the nearest million.
The preparation of financial statements, in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations effective in 2008

In 2008, the following new interpretations became effective for the first time but have not had an impact on the group's financial statements:
- **IFRIC 11 – IFRS 2 - Group and Treasury Share Transactions**
- **IFRIC 12 – Service Concession Arrangements**
- **IFRIC 14 – IAS 19 - The Limit on a Defined Benefit Asset, minimum funding requirements and their interaction**
- **IAS 39 and IFRS 7 – Reclassification of Financial Assets.**

Standards, interpretations and amendments to published standards that are not yet effective.

One new standard (IFRS 8 – Operating Segments) and numerous amendments to existing standards and new interpretations have been published and will be effective for the group's accounting periods beginning on or after 1 January 2009, but the group has not early adopted any of them.

The Directors have assessed the relevance of these amendments and interpretations with respect to the Group's operations and concluded that they are not relevant to the Group, other than IFRS 8, which will result in changes to the reportable segments and the information disclosed in respect of those segments and the amendments to IAS 1 - Presentation of Financial Statements, which will require non-owner changes in equity to be presented in a 'Comprehensive Statement of Income'.

Notes continued

2. Summary of significant accounting policies (continued)

(b) Consolidation

(i) Subsidiories

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Note 18).
The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Property, plant ond equipment

All categories of property, plant and equipment are initially recorded at cost. Buildings are subsequently shown at market value, based on periodic valuations by external independent valuers, less subsequent depreciation. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

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.

Notes continued

2. Summary of significant accounting policies (continued)

(c) Property, plant and equipment (continued)

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.

Freehold land is not depreciated. Depreciation on other assets 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:

Buildings -	**40 years**
Plant and equipment -	**2 - 40 years**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each balance sheet date. An assets carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, plant and equipment are periodically reviewed for impairment. 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.

(d) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(e) Revenue recognition

Revenue represents the fair value of the consideration receivable for sales of goods and services, and is stated net of value-added tax (VAT), rebates and discounts and eliminating sales within the Group.

Revenue is recognised as follows:
(i) Sales of goods are recognised in the period in which the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.
(ii) Sales of services are recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.
(iii) Interest income is recognised on a time proportion basis using the effective interest method.
(iv) Dividends are recognised as income in the period the right to receive payment is established.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average principle. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Goods in transit are stated at cost. Provision is made for obsolete, slow moving and defective inventories.

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

Notes continued

2. Summary of significant accounting policies (continued)

(h) Leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised at the inception of the lease at the lower of their fair value and the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. The interest element of the finance charge is charged to the profit and loss account over the lease period. Property, plant and equipment acquired under finance leases is depreciated over the estimated useful life of the asset.

Leases in which a significant portion of the risks and rewards of ownership are 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.

(i) Income tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax liability is settled. Deferred income 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. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(j) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for purposes of impairment testing. Each of those cash generating units represents the Group's investment in each country of operation by each reporting segment.

(ii) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The costs are amortised over their estimated useful lives of five years. Costs associated with developing or maintaining computer software programmes are recognised as an expense incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding three years).

Notes continued

2. Summary of significant accounting policies (continued)

(k) Employee benefits

(i) Retirement benefit obligotions

The group operates a defined contribution retirement benefit scheme for its employees. A defined contribution scheme is one under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods. The assets of the scheme are held in a separate trustee administered fund, which is funded by contributions from both the company and employees.

The company and all its employees also contribute to the National Social Security Fund, which is a defined contribution scheme. The company's contribution to the defined contribution schemes are charged to the profit and loss account in the year to which they relate. The company has no further obligation once the contributions have been paid.

(ii) Other entitlements

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

(l) Functionol currency and tronslotion of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Kenya Shillings, rounded to the nearest million, which is the company,s functional and presentation currency.

(ii) Tronsoctions ond bolonces in foreign entities

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit and loss account within other operating expenses.

(iii) Consolidation of Group entities

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each profit and loss account are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(c) all resulting exchange differences are recognised as a separate component of equity.
On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Notes continued

2. Summary of significant accounting policies (continued)

(m) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(n) 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.

(o) Comparatives

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

(p) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(q) Share capital

Ordinary shares are classified as equity.

(r) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(s) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Notes continued

2. Summary of significant accounting policies (continued)

(t) Provisions

Provisions for legal claims are recognised when 1) the Group has a present legal or constructive obligation as a result of past events; 2) it is probable that an outflow of resources will be required to settle the obligation; and 3) the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any increase in the provision due to passage of time is recognised as interest expense.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note(j). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The carrying amount of the goodwill and the key assumptions made are set out in Note 16.

Income taxes
The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made judgements in determining:
- the classification of financial assets and leases.
- whether assets are impaired.

4. 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 East Africa to hedge against such risks.

Risk management is carried out by the Finance function under policies approved by the Board of Directors. The Finance function identifies, evaluates and hedges against financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity.

Notes continued

(a) Market risk

(i) Foreign exchange risk

The Group makes significant purchases of raw materials in foreign currency, principally newsprint, inks and plates used in newspaper production, and TV programmes used in broadcasting. This exposes the Group to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations. The Group manages foreign exchange risk arising from future commercial transactions and recognised assets and liabilities by forward contracts, but has not designated any derivative instruments as hedging instruments.

At 31 December 2008 if the shilling had weakened/strengthened against the US dollar, with all other variables held constant, the consolidated post tax profit for the year would not have changed materially from what has been reported.

(ii) Price risk
The Group does not hold any investments subject to price risk.

(iii) Cashflow and fair value interest rate risk
The Group has borrowings at variable rates. The group regularly monitors financing options available to ensure optimum interest rates are obtained. At 31 December 2008, an increase/decrease of interest rates would not have resulted in any material increase/decrease in consolidated post tax profits.

(b) Credit risk
Credit risk arises from cash and cash equivalents as well as trade and other receivables. Neither the Group nor company has significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history. Credit risk is managed on a group basis. The Group credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors.

The amount that best represents the Group's and company's maximum exposure to credit risk at year end is made up as follows:

	Group		Company	
	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m
Cash and cash equivalents	1,306.3	1,915.4	1,216.1	1,848.7
Trade receivables	1,156.6	903.6	803.8	679.1
Loans to related companies	-	-	216.3	231.3
Loans to directors	5.0	8.0	5.0	8.0
Other receivables	635.0	388.8	571.9	272.2
	3,102.9	3,215.8	2,813.1	3,039.3

No collateral is held for any of the above assets. All receivables that are neither past due or impaired are within their approved credit limits, and no receivables have had their terms renegotiated. None of the above assets are past due or impaired except for the following amounts in trade receivables:

	Group		Company	
	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m
Past due but not impaired				
- by 31 to 60 days	680.8	512.2	435.2	345.1
by 61 to 90 days	697.8	531.7	491.3	669.5
Total past due but not impaired	1,378.6	1,043.9	926.5	1,014.6
Impaired	849.3	569.3	534.0	341.6

Notes continued

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the Group's and the Company's financial liabilities that will be be settled on a net basis into the relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of the discounting is not significant.

Group	Less than 1 year Shs m	Between 1 and 2 years Shs m	Between 2 and 5 years Shs m	Total Shs m
At December 2008				
- borrowings	58.1	45.5	34.2	137.8
- trade and other payables	2,105.6	-	-	2,105.6
	2,163.7	45.5	34.2	2,243.4
At December 2007				
- borrowings	82.0	80.5	124.0	286.5
- trade and other payables	1,811.0	-	-	1,811.0
	1,893.0	80.5	124.0	2,097.5
Company				
At December 2008				
- borrowings		-	-	-
- trade and other payables	1,588.2	-	-	1,588.2
At December 2007				
- borrowings	-	-	-	-
- trade and other payables	1,401.3	-	-	1,401.3

Notes continued

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt as shown below:

	Group		Company	
	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m
Total borrowings	137.8	286.5	-	-
Less: cash and cash equivalents	(1,306.3)	(1,915.4)	(1,216.1)	(1,848.7)
Net debt	(1,168.5)	(1,628.9)	(1,216.1)	(1,848.7)
Total equity	4,314.6	3,736.0	4,417.6	3,864.5
Total capital	3,146.1	2,107.1	3,201.5	2,015.8

The cash balances held by the Group were in excess of the borrowings as at year end resulting into a negative net debt, computation of gearing ratios will be misleading.

Notes continued

5. Segmental reporting

(a) Primary reporting format – business

At 31 December 2008, the Group was organised within the region into two main business segments:

i) Newspapers and magazines; and
ii) Broadcasting

Other Group operations mainly comprise courier and third party printing services. Neither of these constitute a separately reportable segment.

	Newspapers & Magazines		Broadcasting		Group	
	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m
Sales	7,318.7	6,826.8	932.8	858.8	8,251.5	7,685.6
Allocated costs	(5,197.3)	(5,103.5)	(914.2)	(761.0)	(6,111.5)	(5,864.5)
Segment results	2,121.4	1,723.3	18.6	97.8	2,140.0	1,821.1
Unallocated costs	-	-	-	-	(342.6)	(309.1)
Profit before net finance income, share of associates' profit and income tax					1,797.4	1,512.0
- Finance income					109.8	104.3
- Finance costs					(27.0)	(48.1)
Share of results of associates					30.1	33.4
Profit before income tax					1,910.3	1,601.6
Income tax expense					(614.4)	(525.2)
Minority interest					(8.5)	13.2
Profit for the year attributable to equity holders of the company					1,287.4	1,089.6

Other segments items included in the income statement are as follows:

	Newspapers & Magazines		Broadcasting		Group	
	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m
Depreciation	263.1	243.1	90.6	90.7	353.7	333.8
Amortisation	21.5	14.1	0.3	1.1	21.8	15.2
Provision for impairment of receivables	236.8	99.1	43.2	18.6	280.0	117.7

Segment assets comprise primarily property, plant and equipment, intangible assets, inventories, receivables and operating cash. They exclude deferred income tax and investments. Segment liabilities comprise operating liabilities. They exclude current and deferred income tax liabilities and corporate borrowings. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

Notes continued

5. Segmental reporting (continued)

	Newspapers & Magazines		Broadcasting		Group	
	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m
Segment assets	5,428.1	4,817.7	831.9	746.6	6,260.0	5,564.3
Investment in associates					358.7	334.3
					6,618.7	5,898.6
Segment liabilities	1,959.9	1,636.0	145.7	175.0	2,105.6	1,811.0
Capital expenditure	309.1	370.4	159.2	76.3	468.3	446.7

(b) Secondary reporting formot – geogrophical segments

The directors consider the East African countries in which the Group operates as one geographical segment because of similarities in the risks and returns in the three countries.

6. Expenses by nature

The following items have been charged/(credited) in arriving at operating profit

	2008 Shs m	2007 Shs m
Depreciation of property, plant and equipment (Note 15)	353.7	333.8
Repairs and maintenance expenditure on property, plant and equipment	23.5	52.5
Amortisation of intangible assets (Note 16)	21.8	14.0
Profit on disposal of property, plant and equipment	(0.9)	(1.6)
Operating lease rentals – office buildings	86.5	79.0
leasehold land (Note 17)	1.2	1.2
Trade receivables – provision for impairment (Note 21)	280.0	102.7
Employee benefits expense (Note 7)	2,222.7	2,318.5
Inventories expensed	1,553.9	1,559.4
Provisions for inventories	36.4	80.4
Auditor's remuneration: Group	10.8	8.8
: Company	6.5	5.3

7. Employee benefits expense

	2008 Shs m	2007 Shs m
Salaries and wages	2,111.7	2,224.6
National Social Security Fund	45.2	34.6
Leave pay accrued	4.4	2.3
Retirement benefits costs – defined contribution scheme	61.4	57.0
	2,222.7	2,318.5

Notes continued

8 (a) Other income

	2008 Shs m	2007 Shs m
Interest income	109.8	104.3

(b) Finance cost

	2008 Shs m	2007 Shs m
Interest expense	(27.0)	(48.1)

9. Income tax expense

	2008 Shs m	2007 Shs m
Current income tax	625.6	513.4
Deferred income tax (credit)/charge (Note 14)	(11.2)	11.8
	614.4	525.2

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of the home country as follows:

	2008 Shs m	2007 Shs m
Profit before income tax	1,910.3	1,601.6
Tax calculated at the statutory income tax rates of 30% (2007: 30%)	573.1	480.5
Tax effect of:		
Income not subject to tax	(3.7)	(1.6)
Expenses not deductible for tax purposes	12.5	48.8
Under/(over) provision of current income tax in prior year	2.2	(2.5)
Over provision of deferred income tax in prior year	(4.6)	-
Deferred income tax asset not recognized	34.9	-
Income tax expense	614.4	525.2

10. Earnings per share

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

	2008	2007
Net profit attributable to shareholders (Shs million)	1,287.4	1,089.6
Weighted average number of ordinary shares in issue (million)	142.6	142.6
Basic earnings per share (Shs)	9.0	7.6

There were no potentially dilutive ordinary shares outstanding as at 31 December 2008. Diluted earnings per share is therefore the same as basic earnings per share. On 29 May 2008, a share split of two shares per share held was made resulting in 71.3 million additional shares. This increased the weighted average number of shares in issue to 142.6 million.

Notes continued

11. Share capital

	Number of shares Shs m	Ordinary Shares Shs m
Balance at 1 January 2007 and l January 2008	71.3	356.5
Share split	71.3	-
Balance as at 31 December 200B	142.6	356.5

On 29 May 2008 a share split of two shares per share held was made resulting in a change in the authorized share capital from 120 million ordinary shares of Shs 5.00 each to 240 million shares of Shs 2.50 each.

All issued shares are fully paid.

12. Other reserves

The movement in other reserves is as follows:

	Revaluation reserve Shs m	Currency translation Shs m	Total Shs m
Group			
As at 1 January 2007	-	4.7	4.7
Revaluation gain	110.0	-	110.0
Deferred tax on revaluation	(33.0)	-	(33.0)
Currency translation differences	-	(3.B)	(3.B)
Balance as at 31 December 2007	77.0	0.9	77.9
As at 1 January 2008	77.0	0.9	77.9
Currency translation differences	-	8.8	8.8
Transfer of excess depreciation	(2.7)	-	(2.7)
Deferred income tax on transfer	0.B	-	0.B
Balance as at 31 December 2008	75.1	9.7	84.8

Company

The company's other reserves relate to revaluation surpluses, net of deferred income tax, arising from the revaluation of buildings as shown in the company's statement of changes in equity. Revaluation reserves are non-distributable.

13. Borrowings

	Group	
	2008 Shs m	2007 Shs m
Current		
Bank borrowings	45.6	70.9
Bank overdraft	12.5	11.1
	58.1	B2.0
Non current		
Bank borrowings	79.7	204.5
Total borrowings	137.8	2B6.5

Notes continued

13. Borrowings (continued)

The bank borrowings are secured by a 100% comprehensive corporate guarantee from Nation Media Group Limited.

The weighted average effective interest rates at the balance sheet date were as follows:

	2008 Shs m	2007 Shs m
Bank loan	8.90%	15.43%

In the opinion of the directors, the carrying amounts of short-term borrowings approximate to their fair value. Fair values are based on discounted cashflows using a discount rate based upon the borrowing rate that directors expect should be available to the Group at the balance sheet date. In the opinion of the directors, it is impracticable to assign fair values to the Group's long-term debt liabilities due to inability to forecast interest rate changes.

Maturity of non-current borrowings.

	2008 Shs m	2007 Shs m
Between 1 and 2 years	103.6	244.5
Between 2 and 5 years	34.2	42.0

14. Deferred income tax

	Group		Company	
	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m
At start of year	62.7	17.9	79.9	28.4
(Credit)/charge to the profit and loss account (Note 9)	(11.2)	11.8	(3.9)	18.5
Charge to equity (Note 12)	-	33.0	-	33.0
At end of year	51.5	62.7	76.0	79.9

The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group		Company	
	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m
Deferred income tax assets	155.4	178.0	143.6	159.4
Deferred income tax liabilities	(103.9)	(115.3)	(67.6)	(79.5)
	51.5	62.7	76.0	79.9

Notes continued

14. Deferred income tax (continued)

Deferred income tax assets and liabilities are attributable to the following items:

Year ended 31 December 2008 - Group	1.1.08 Shs m	Charged/ (credited) to P & L Shs m	Charged/ (credited) to equity Shs m	31.12.08 Shs m
Deferred income tax liabilities				
Property, plant and equipment	178.0	(22.6)	-	155.4
Deferred income tax assets				
Provisions	(115.3)	11.4		(103.9)
Net deferred income tax liability	62.7	(11.2)	-	51.5

Year ended 31 December 2007 - Group	1.1.07 Shs m	Charged/ (credited) to P & L Shs m	Charged/ (credited) to equity Shs m	31.12.07 Shs m
Deferred income tax liabilities				
Property, plant and equipment	115.4	29.6	33.0	178.0
Deferred income tax assets				
Provisions	(97.5)	(17.8)	-	(115.3)
Net deferred income tax liability	17.9	11.8	33.0	62.7

Year ended 31 December 2008 - Company Deferred income tax liabilities	1.1.08 Shs m	Charged/ (credited) to P & L Shs m	Charged/ (credited) to equity Shs m	31.12.08 Shs m
Property, plant and equipment	159.4	(15.8)	-	143.6
Deferred income tax assets				
Provisions	(79.5)	11.9	-	(67.6)
Net deferred income tax liability	79.9	(3.9)	-	76.0

Notes continued

14. Deferred income tax (continued)

	1.1.07 Shs m	Charged/ (credited) to P & L Shs m	Charged/ (credited) to equity Shs m	31.12.07 Shs m
Year ended 31 December 2007 – Company				
Deferred income tax liabilities				
Property, plant and equipment	93.8	32.6	33.0	159.4
Deferred income tax assets				
Provisions	(65.4)	(14.1)	-	(79.5)
Net deferred income tax liability	28.4	18.5	33.0	79.9

15. Property, plant and equipment

	Freehold land Shs m	Buildings Shs m	Plant and equipment Shs m	Total Shs m
Group				
As at 1 January 2007				
Cost or valuation	6.4	344.3	3,385.4	3,736.1
Accumulated depreciation	-	(64.6)	(2,036.8)	(2,101.4)
Net book value	6.4	279.7	1,348.6	1,634.7
Year ended 31 December 2007				
Opening net book amount	6.4	279.7	1,348.6	1,634.7
Revaluation	-	53.3	-	53.3
Write-down	-	(2.2)	-	(2.2)
Additions	-	0.6	399.8	400.4
Disposals	-	-	(31.7)	(31.7)
Depreciation charge	-	(7.7)	(326.1)	(333.8)
Reversal of accumulated depreciation on revaluation	-	56.7	-	56.7
Currency translation differences	-	(1.2)	(3.7)	(4.9)
Closing net book value	6.4	379.2	1,386.9	1,772.5
As at 31 December 2007				
Cost or valuation	6.4	394.7	3,567.6	3,968.7
Accumulated depreciation	-	(15.5)	(2,180.7)	(2,196.2)
Net book value	6.4	379.2	1,386.9	1,772.5
As at 1 January 2008				
Cost or valuation	6.4	394.7	3,567.6	3,968.7
Accumulated depreciation	-	(15.5)	(2,180.7)	(2,196.2)
Net book value	6.4	379.2	1,386.9	1,772.5

Notes continued

15. Property, plant and equipment (continued)

	Freehold land Shs m	Buildings Shs m	Plant and equipment Shs m	Total Shs m
Year ended 31 December 2008				
Opening net book amount	6.4	379.2	1,386.9	1,772.5
Additions	-	-	374.0	374.0
Disposals	-	-	(2.9)	(2.9)
Depreciation charge	-	(9.9)	(343.8)	(353.7)
Currency translation differences	-	9.8	19.6	29.4
Closing net book value	6.4	379.1	1,433.8	1,819.3
As at 31 December 2008				
Cost or valuation	6.4	405.6	3,961.6	4,373.6
Accumulated depreciation	-	(26.5)	(2,527.8)	(2,554.3)
Net book value	6.4	379.1	1,433.8	1,819.3
Company				
As at 1 January 2007				
Cost or valuation	6.4	209.3	2,965.4	3,181.1
Accumulated depreciation	-	(54.3)	(1,872.4)	(1,926.7)
Net book value	6.4	155.0	1,093.0	1,254.4
Year ended 31 December 2007				
Opening net book amount	6.4	155.0	1,093.0	1,254.4
Revaluation	-	53.3	-	53.3
Write down		(2.2)		(2.2)
Additions	-	0.6	300.9	301.5
Disposals	-	-	(26.0)	(26.0)
Depreciation charge	-	(4.8)	(253.7)	(258.5)
Reversal of accumulated depreciation on revaluation		56.7	-	56.7
Closing net book value	6.4	258.6	1,114.2	1,379.2
As at 31 December 2007				
Cost or valuation	6.4	261.0	3,071.8	3,339.2
Accumulated depreciation	-	(2.4)	(1,957.6)	(1,960.0)
Net book value	6.4	258.6	1,114.2	1,379.2
As at 1 January 2008				
Cost or valuation	6.4	261.0	3,071.8	3,339.2
Accumulated depreciation	-	(2.4)	(1,957.6)	(1,960.0)
Net book value	6.4	258.6	1,114.2	1,379.2

Notes continued

15. Property, plant and equipment (continued)

	Freehold Land Shs m	Buildings Shs m	Plant and equipment Shs m	Total Shs m
Year ended 31 December 2008				
Opening net book amount	6.4	258.6	1,114.2	1,379.2
Additions	-	-	258.0	258.0
Disposals	-	-	(1.3)	(1.3)
Depreciation charge	-	(6.7)	(265.8)	(272.5)
Closing net book value	6.4	251.9	1,105.1	1,363.4
As at 31 December 2008				
Cost or valuation	6.4	261.0	3,318.7	3,586.1
Accumulated depreciation	-	(9.1)	(2,213.6)	(2,222.7)
Net book value	6.4	251.9	1,105.1	1,363.4

The Group's buildings were revalued as at 31 December 2007 by independent professional valuers. The basis for the valuation was open market value. The book values of the properties were adjusted to the revalued amounts and the resulting surplus, net of deferred income tax, was credited to the revaluotion reserve in shareholders' equity. If the buildings were stated on historical cost basis, the amounts would be as follows:

	Group		Company	
	2008 Shs m	2007 Shs m	**2008 Shs m**	2007 Shs m
Cost	**314.7**	314.7	**166.2**	166.2
Accumulated depreciation	**(44.6)**	(34.7)	**(41.6)**	(34.9)
Net book amount	**270.1**	280.0	**124.6**	131.3

16. Intangible assets

	Goodwill Shs m	Computer Software Shs m	Total Shs m
Group			
As at 1st January 2007			
Cost	23.0	110.3	133.3
Accumulated amortisation	-	(78.7)	(78.7)
Net book value	23.0	31.6	54.6
Year ended 31 December 2007			
Opening net book value	23.0	31.6	54.6
Additions	-	46.3	46.3
Amortisation	-	(14.0)	(14.0)
Closing net book value	23.0	63.9	86.9

Notes continued

16. Intangible assets (continued)

	Goodwill Shs m	Computer software Shs m	Total Shs m
Group (continued)			
As at 31 December 2007			
Cost	23.0	156.6	179.6
Accumulated amortisation	-	(92.7)	(92.7)
Net book value	23.0	63.9	86.9
As at 1 January 2008			
Cost	23.0	156.6	179.6
Accumulated amortisation	-	(92.7)	(92.7)
Net book value	23.0	63.9	86.9
Year ended 31 December 2008			
Opening net book value	23.0	63.9	86.9
Additions	164.9	94.3	259.2
Amortisation		(21.8)	(21.8)
Disposals	-	(4.9)	(4.9)
Currency translation differences	-	0.3	0.3
Closing net book value	187.9	131.8	319.7
As at 31 December 2008			
Cost	187.9	246.4	434.3
Accumulated amortisation	-	(114.6)	(114.6)
Net book value	187.9	131.8	319.7

	Computer software Shs m
Company	
As at 1 January 2007	
Cost	108.8
Accumulated amortisation	(78.2)
Net book value	30.6
Year ended 31 December 2007	
Opening net book value	30.6
Additions	41.5
Amortisation	(12.6)
Closing net book value	59.5

Notes continued

16. Intangible assets (continued)

	Computer software Shs m
Company (continued)	
As at 31 December 2007	
Cost	150.3
Accumulated amortisation	(90.8)
Net book value	59.5
As at 1st January 2008	
Cost	150.3
Accumulated amortization	(90.8)
Net book value	59.5
Year ended 31 December 2008	
Opening net book value	59.5
Additions	91.1
Amortisation	(19.5)
Disposal	(4.9)
Closing net book value	126.2
As at 31 December 2008	
Cost	236.5
Accumulated amortization	(110.3)
Net book value	126.2

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to country of operation and business segment.

A segment-level summary of the goodwill allocation is presented below:

	2008 Shs m	2007 Shs m
Mwananchi Communications (Note 19 b (i))	128.9	-
Monitor Publications Limited	23.0	23.0
East Africa Televisions Network (Note 19 b (iii))	15.5	-
Radio Uhuru Limited (Note 19 b (ii))	20.5	-
	187.9	23.0

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Notes continued

17. Prepaid operating lease rentals

	Group 2008	Group 2007	Company 2008	Company 2007
	Shs m	Shs m	Shs m	Shs m
At start of year	90.5	91.5	51.4	52.1
Amortisation for the year	(1.2)	(1.2)	(0.7)	(0.7)
Currency translation differences	3.9	0.2	-	-
At end of year	93.2	90.5	50.7	51.4

18. Investment in associates

	Group 2008	Group 2007
	Shs m	Shs m
At start of year	334.3	306.4
Share of profit before income tax	41.1	33.4
Share of income tax expense	(11.0)	-
	30.1	33.4
Dividends received	(5.7)	(5.5)
At end of year	358.7	334.3

The investment in associate is carried in the consolidated balance sheet at amounts that reflect the group's share of the net assets of the associate and includes goodwill on acquisition. The Group's interest in its principal associates, all of which are unlisted, were as follows:

	Country of incorporation	% interest held	Assets Shs m	Liabilities Shs m	Revenues Shs m	Profit/(loss) Shs m
Year 2007						
Property Development and Management Limited	Kenya	20%	2,290.4	618.9	239.2	166.9
Radio Uhuru Limited	Tanzania	49%	-	-	-	-
Year 2008						
Property Development and Management Limited	Kenya	20%	2,799.2	293.0	269.4	205.6

During the year, the company acquired the remaining 51% shareholding in Radio Uhuru Limited. Radio Uhuru Limited is now a wholly owned subsidiary of the Group. The investment in associates that is carried in the company balance sheet of Shs. 94.6 million relates to Property Development and Management Limited.

Notes continued

19. Investment in subsidiaries

(a) Investment in subsidiaries (at cost)

The group's interest in its subsidiaries, all of which are unlisted and all of which have the same year end as the company, were as follows:

Company	Country of incorporation	Holding %	2008 Shs m	2007 Shs m
Trading subsidiaries:				
Nation Marketing & Publishing Limited	Kenya	100.0	0.5	0.5
Monitor Publications Limited	Uganda	76.7	19.1	19.1
Mwananchi Communications Limited	Tanzania	100.0	314.8	70.9
Nation Holdings Tanzania Limited	Tanzania	100.0	150.4	150.5
Africa Broadcasting Uganda Limited	Uganda	100.0	347.7	181.7
East African Magazines Limited	Kenya	51.0	-	-
			832.5	422.7
Non Trading subsidiaries:				
Nation Carriers Limited	Kenya	100.0	3.0	3.0
Nation Infotech Limited	Kenya	100.0	1.5	1.5
Africa Broadcasting Limited	Kenya	100.0	-	-
Nation Newspapers Limited	Kenya	100.0	-	-
Nation Carriers Uganda Limited	Uganda	100.0	-	-
Nation Carriers Tanzania Limited	Tanzania	100.0	-	-
Africa Broadcasting Tanzania Limited	Tanzania	100.0	-	-
Africa Broadcasting Mauritius Limited	Mauritius	100.0	-	-
Nation Printers and Publishers Limited	Kenya	100.0	-	-
Radio Uhuru Limited	Tanzania	100.0	20.5	-
			857.5	427.2
Provision for impairment			(44.8)	(44.8)
			812.7	382.4

(b) Business Combination

On 1 April 2008 the Group invested additional capital of Shs 79.4 million thereby increasing its shareholding in Mwananchi communications limited (MCL) to 75%. On 31 July 2008, the group acquired the remaining 25% share capital of MCL and 51% of Radio Uhuru Limited. Details of net assets acquired and goodwill are as follows:

(i) Mwananchi Communications Limited

	Shs m
Purchase consideration:	
- cash paid	101.4
- incidental costs	1.2
Fair value of net liabilities acquired	26.3
Goodwill (Note 16)	128.9

The goodwill is attributable to the business potential and reputation of the company and its employees.

Notes continued

19. Investment in subsidiaries (continued)

The assets and liabilities arising from the acquisition as at 31 July 2008 are as follows:

	Fair value Shs m	Acquiree's carrying amount Shs m
Cash and cash equivalents	17.6	17.6
Property, plant and equipment	61.3	61.3
Inventories	17.4	17.4
Trade and other receivables	69.5	69.5
Trade and other payables	(65.8)	(65.8)
Borrowings	(137.6)	(137.6)
Taxation	0.4	0.4
Group payables	(68.1)	(68.1)
Net assets	(105.3)	(105.3)
Already acquired (75%)	(79.0)	
Net liabilities acquired (25%)	(26.3)	
Purchase consideration settled in cash		101.4
Other incidental costs		1.2
Cash outflow on acquisition		102.6

(ii) Radio Uhuru Limited

	Shs m
Purchase consideration:	
- cash paid	20.3
- incidental costs	0.2
Fair value of net assets acquired	-
Goodwill (Note 16)	20.5

(iii) East Africa Televisions Network Limited (EATN)

On 14 February 2008, the Group acquired the remaining 10% share capital of EATN. EATN holds radio and television frequencies which are utilised by the Group. EATN is a dormant company, therefore contributed no profit/losses in the year. Details of net assets acquired are as follows:

	Shs m
Purchase consideration	
Cash paid	15.0
Incidental costs	0.5
	15.5
Fair value of net assets acquired	-
Goodwill (Note 16)	15.5

Notes continued

19. Investment in subsidiaries (continued)

The assets and liabilities arising from the acquisition as at 14 February 2008 are as follows:-

	Fair value	Acquiree Carrying amount
	Shs m	Shs m
Trade and other receivables	8.7	8.7
Group payables	(7.8)	(7.8)
Net assets	0.9	0.9
Already acquired (90%)	(0.8)	
Net assets acquired (10%)	-	
Purchase consideration settled in cash	15.0	
Other incidental costs	0.5	
Cash outflow on acquisition	15.5	

20. Inventories

	Group		Company	
	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m
Raw materials at cost	781.3	307.5	705.7	234.4
Engineering spares at cost	93.5	69.2	84.3	67.6
Other stock at cost	37.4	14.4	18.9	12.7
At end of year	912.2	391.1	808.9	314.7

21. Receivables and prepayments

	Group		Company	
	2008 Shs m	2007 Shs m	2008 Shs m	2007 Shs m
Trade receivables	2,005.9	1,472.9	1,337.8	1,020.7
Less: provision for impairment	(849.3)	(569.3)	(534.0)	(341.6)
	1,156.6	903.6	803.8	679.1
Amounts due from related parties (Note 28)	-	-	249.3	248.3
Other receivables and prepayments	640.0	396.8	543.8	280.2
	1,796.6	1,300.4	1,597.0	1,207.6

Notes continued

21. Receivables and prepayments (continued)

Movement in the provision for impairment of trade receivables are as follows:

	Group		Company	
	2008	2007	2008	2007
	Shs m	Shs m	Shs m	Shs m
At start of year	569.3	466.6	341.6	275.3
Provision in the year	280.0	102.7	192.4	66.3
At end of year	849.3	569.3	534.0	341.6

22. Cash and cash equivalents

For the purposes of cashflow statements, cash and cash equivalents comprise cash in hand, term deposits held with banks and investments in money market instruments. The year end cash and cash equivalent comprise the following:

	Group		Company	
	2008	2007	2008	2007
	Shs m	Shs m	Shs m	Shs m
Cash and bank balances	595.5	305.7	505.3	239.0
Short term bank deposits	710.8	1,609.7	710.8	1,609.7
	1,306.3	1,915.4	1,216.1	1,848.7

The weighted average effective interest rate on short term bank deposits at the year-end was 8.7% (2007: 7.5%).

23. Payables and accrued expenses

	Group		Company	
	2008	2007	2008	2007
	Shs m	Shs m	Shs m	Shs m
Trade payables	395.0	407.5	250.4	301.0
Amounts due to related parties (Note 28)	-	-	41.0	23.4
Accrued expenses	1,118.6	1,244.4	957.6	1,023.9
Other payables	592.0	159.1	339.2	53.0
	2,105.6	1,811.0	1,588.2	1,401.3

Accrued expenses include provisions subject to accounting estimates and assumptions as disclosed in Note 3.

24. Dividends

At the annual general meeting to be held on 28 May 2009, a final dividend in respect of the year ended 31 December 2008 of Shs.4.00 per share amounting to Shs.570.4 million will be proposed. During the year, an interim dividend of Shs.1.50 per share, amounting to Shs.213.9 million was paid. The total dividend for the year is, therefore, Shs.5.50 per share (2007: Shs.5.25), amounting to Shs.784.3 million (2007: Shs.748.7 Million). The payment of dividends is subject to withholding tax at the rate of 5% for residents and 10% for non-residents tax payers.

Notes continued

25. Commitments - Group

Capital expenditure

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

	2008 Shs m	2007 Shs m
Contracted for but not provided for	9.1	76.5

Operating leases

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

	2008 Shs m	2007 Shs m
Not later than 1 year	86.5	79.0
Later than 1 year and not later than 5 years	379.9	348.6
	466.4	427.6

26. Cash generated from operations

	2008 Shs m	2007 Shs m
Reconciliation of profit before income tax to cash generated from operations		
Profit before income tax	1,910.3	1,601.6
Adjustments for:		
Depreciation of property, plant and equipment (Note 15)	353.7	333.8
Amortisation of intangible assets (Note 16)	21.8	14.0
Amortisation of prepaid operating lease rentals (Note 17)	1.2	1.2
Profit on sale of property, plant and equipment	(0.9)	(1.6)
Interest income (Note 8 (a))	(109.8)	(104.3)
Interest expense (Note 8 (b))	27.0	48.1
Share of result before tax of associate (Note 18)	(30.1)	(33.4)
Changes in working capital:		
- inventories	(521.1)	169.5
- receivables and prepayments	(496.2)	(337.3)
- payables and accrued expenses	294.8	438.9
Cash generated from operations	1,450.7	2,130.5

27. Contingent liabilities

The directors have after taking appropriate legal advice, made provisions for liabilities where there is a possible loss to the group.

28. Related parties

There are a number of companies that are related to Nation Media Group through common shareholding or common directorships. Transactions with related parties are carried out at normal commercial terms and conditions.

The following transactions were carried out with related parties:

(i) Sale of goods and services

	2008 Shs m	2007 Shs m
Other related parties	26.6	16.2

Notes continued

28. Related parties (continued)

(ii) Purchase of goods and services

	2008 Shs m	2007 Shs m
Other related parties	39.7	58.8

(iii) Outstanding balances from transactions with related parties

Amounts due from related parties

	Company	
	2008 Shs m	2007 Shs m
East African Magazines Limited	42.5	32.6
Monitor Publications Limited	18.5	7.6
East African Television Network	33.0	24.8
Mwananchi Communications Limited	100.8	46.6
Nation Infotech Limited	0.9	0.9
Africa Broadcasting Uganda Limited	53.6	135.8
	249.3	248.3

Amounts due to related parties

	2008 Shs m	2007 Shs m
Nation Marketing and Publishing Limited	34.9	18.0
Nation Holdings Tanzania Limited	6.1	5.4
	41.0	23.4

(iv) Loans to executive directors – Group and Company

	2008 Shs m	2007 Shs
At start of year	8.0	7.1
Loans advanced during the year	0.8	4.1
Loans repaid during the year	(3.8)	(3.2)
At end of year	5.0	8.0

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

(v) Directors' remuneration

	2008 Shs m	2007 Shs m
Fees for services as director	19.2	18.4
Other emoluments	51.0	71.6
	70.2	90.0

Five Year Financial Summary

	2008 Shs m	2007 Shs m	2006 Shs m	2005 Shs m	2004 Shs m
Results					
Turnover	8,251.5	7,685.6	6,339.2	5,597.1	4,866.2
Profit before tax	1,910.3	1,601.6	1,150.8	1,010.6	894.7
Profit attributable to shareholders	1,287.4	1,089.6	783.2	716.2	641.4
Net assets					
Non-current assets	2,590.9	2,284.2	2,087.2	2,051.0	2,026.4
Net current assets	1,854.8	1,719.0	1,768.4	1,216.8	841.0
Non-current liabilities	(131.2)	(267.2)	(358.9)	(37.1)	(10.6)
Minority interest	13.1	87.8	91.2	59.1	43.4
Shareholders' funds	4,327.7	3,823.8	3,587.9	3,289.8	2,900.2
Profit before tax as a percentage of turnover (%)	23.15	20.84	18.15	18.06	18.39
Earnings per share (Shs)*	9.03	7.64	5.49	5.02	4.50
Dividends per share (Shs)*	5.50	5.25	3.50	3.00	3.00
Dividends cover (times)*	1.64	1.46	1.57	1.67	1.50

**Adjusted for bonus, special dividend and share split*

Taarifa Fupi ya Kifedha ya Miaka Mitano

	2008 Shs m	2007 Shs m	2006 Shs m	2005 Shs m	2004 Shs m
Results					
Turnover	8,251.5	7,685.6	6,339.2	5,597.1	4,866.2
Profit before tax	1,910.3	1,601.6	1,150.8	1,010.6	894.7
Profit attributable to shareholders	1,287.4	1,089.6	783.2	716.2	641.4
Net assets					
Non-current assets	2,590.9	2,284.2	2,087.2	2,051.0	2,026.4
Net current assets	1,854.8	1,719.0	1,768.4	1,216.8	841.0
Non-current liabilities	(131.2)	(267.2)	(358.9)	(37.1)	(10.6)
Minority interest	13.1	87.8	91.2	59.1	43.4
Shareholders' funds	4,327.7	3,823.8	3,587.9	3,289.8	2,900.2
Profit before tax as a percentage of turnover (%)	23.15	20.84	18.15	18.06	18.39
Earnings per share (Shs)*	9.03	7.64	5.49	5.02	4.50
Dividends per share (Shs)*	5.50	5.25	3.50	3.00	3.00
Dividends cover (times)*	1.64	1.46	1.57	1.67	1.50

**Badiliko kuhusu hisa za bonasi, mgawo maalum na mgawo wa hisa*

Principal Shareholders of the Company and their respective Shareholding at 31 December 2008

No. Name of Shareholder	No. of shares held	%
1. The Aga Khan Fund for Economic Development (AKFED)	63,786,624	44.73
2. Mr. Amin Nanji Juma	11,646,728	8.17
3. National Social Security Fund	6,025.370	4.23
4. Nima Investment Limited	2,613,432	1.83
5. Kenya Commercial Bank Nominees Limited A/c 769G	1,953,494	1.23
6. Barclays (Kenya) Nominees Limited A/c 1256	1,391,396	0.98
7. Old Mutual Insurance Company Limited	935,652	0.66
8. Barclays (K) Nominees Limited A/c 9230	904,614	0.63
9. John Kibunga Kimani	891,838	0.63
10. Kenya Commercial Bank Nominees Limited A/c 744	735,115	0.52

Distribution of Shareholding at 31 December 2008

Shareholding (No. of shares)	No. of shareholders	No. of shares held	% Shareholding
1 - 500	2,889	642,243	0.45
501 - 5,000	5,307	10,112,119	7.09
5,001 - 10,000	810	5,637,912	3.95
10,001 - 100,000	901	20,963,792	14.70
100,001 - 1,000,000	75	19,306,600	13.54
Over 1,000,000	6	85,947,854	60.27
TOTAL	9,988	142,610,520	100.0

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 28 May 2009 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 - 00100 GPO 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____

nikiwa mwanachama/wanachama wa Nation Media Group Limited , ninamteua ____________

______________________________wa______________________

na akikosa yeye______________________________________

____

na akikosa yeye, mwenyekiti wa mkutano kama muwakilishi wangu/ wawakilishi wangu wa kunipiga kura kwa niaba yangu /yetu katika mkutano wa mwaka wa kampuni utakaofanyika Mei 28 2009 na kukamilishwa kivyovyote baada ya hapo.

Kwa ushahidi wa mkono wangu_____________________________

Sahihi____

Maelezo muhimu :

1. Ikiwa huwezi kudhuria mkutano huu wewe binafsi fomu hii ya muwakilishi inastahili kujazwa na kurudishwa kwa Katibu, Nation Media Group Limited, S.L.P 49010 - 00100 GPO Nairobi, ili imfikie kabla ya saa 48 ya muda ulioamuliwa wa mkutano kufanyika.

2. Mtu aliyeteuliwa kama muwakilishi sio lazima awe mwanachama wa kampuni.

3. Ikiwa aliyeteuliwa ni shirika, fomu hii ya muwakilishi lazima iwe na mhuri ama kuwa na sahihi ya afisa wa wakili ambaye ameidhinishwa kwa maandisho.