

PROFIT WARNING ANNOUNCEMENT

The Board of Directors of The Standard Group PLC (“The Group”) makes this announcement pursuant to Regulation G.05 (1) (f) and (2) of the Fifth Schedule of the Capital Markets (Securities) (Public Offers and Disclosures) Regulations 2002.

The Board of Directors projects that the Group profit for the year ended 31st December 2019 will be at least 25% lower than the performance of the year ended 31st December 2018.

Newsprint was a major contributor to increased costs in the year. Key existing clients spent less in this period including SMEs due to slow economic activity and lack of access to credit from the financial sector. The Group invested in several new products which in the immediate period has affected our costs, but we expect revenues to be realized in subsequent years.

Finally, there has been several changes in key regulations within the business environment which led to a number of investors exiting the Kenyan market. Key among them are the gaming and betting sector. Also affected by regulatory changes were the alcoholic and beverage companies, the tobacco industry and the education sector who have equally slowed down on their spending.

The Board is cautiously optimistic that the Group is able to withstand the changes in the operating environment and is focusing on growing the newly launched media products, which should enable the Group to post a better return next year.

By Order of the Board

ORLANDO LYOMU
GROUP CHIEF EXECUTIVE OFFICER

30th November 2019