Guardian MEDIA LIMITED

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE, 2018

Trinidad & Tobago Guardian

TBC RADIO NETWORK | Aakash Vani 106.5 FM Music for the Mind and Spirit | 95.1 FM REMIX | the ViBe CT105 THE NATION'S STATION | Sangeet 106.1 FM THE SUPERSTATION! | slam 100.5 FM Progressive Urban | SKY 99.5 FM INFORM. INSPIRE. EMPOWER. | Mix 90.1 FM Hit Music NOW! | CNC3 | the Big Board Company

CHAIRMAN'S STATEMENT

Despite the challenges continuing into the second quarter, I remain confident that we are positioning the business for lasting success. The company's financial results were affected by a significant contraction in advertising spend by businesses and state organisations. Guardian Media continues to operate in an environment of modest economic conditions. As well, the shifts in advertising spend are lasting as the digital market grows worldwide. We are continuing efforts to enhance the competitive appeal of our portfolio of brands in Print, TV, Radio and Digital, while closely managing controllable expenses.

Internally, we are still in a transitionary stage of implementing fundamental structural changes and developing new revenue lines through our multi-media strategy. Shareholders would recall that we started the transformation of our business in 2017 from a traditional media house to a multi-media house. We are midstream in this process and progress to date is in line with plan. Included in these results are the year-to-date depreciation on billboards and information technology but these assets are not yet fully deployed in revenue generation. Capital spend over the last three financial years amount to $47 million. Guardian Media is expected to be fully equipped for the digital media landscape by June 2019.

Successes achieved to mid-year include progression in our 'Print Optimisation' plan with implementation of AProfit in 2018 and we are working on the last phase of implementing the final major module that focuses on circulation. The remaining three digital billboards of our fifteen state-of-the-art billboards were fully commissioned in 2018. Guardian Media successfully broadcasted FIFA World Cup in High Definition. High definition transmission is new to Guardian Media and this achievement was through a great team effort. We launched our recycling initiative GML GO GREEN as we deepen our Corporate Social Responsibility activities. World Environment Day was celebrated through the sharing of seed packets in each newspaper and this significantly increased circulation.

For the six months ended June 30, 2018, revenues reported were $61 million ($71.8 million – 2017) reflecting a decline of 15% and a loss of $4.7 million ($0.3 million loss – 2017) was incurred. Second quarter of 2018 generated $32 million in revenues ahead of $29 million or 10% in the first quarter of 2018 with a loss of $2.7 million. Whilst Guardian Media is trailing in year-to-date performance over the prior year, the quarter over quarter growth in current year revenue of 10% is encouraging. I am pleased to note that notwithstanding these results, balance sheet metrics remain healthy.

The Board of Directors has approved interim dividends of $0.10 per ordinary share (2017 - $0.10) and 4% for preference shares against a backdrop of strong capital position. Our dividend remains unchanged and reinforces our view that the future continues to be promising for our franchise. Dividends will be paid on 6th November 2018. In accordance with section 110 (1) (a) (i) of the Companies Act 1995, the Directors have fixed October 23rd, 2018 as the Record Date for payment of this interim dividend.

I would like to thank our shareholders, customers and employees for their continued support.

Peter Clarke
Chairman

CONSOLIDATED STATEMENT OF INCOME

	$'000 Unaudited Qtr Ended 30-Jun-18	$'000 Unaudited Qtr Ended 30-Jun-17	$'000 Unaudited 6 Months Ended 30-Jun-18	$'000 Unaudited 6 Months Ended 30-Jun-17	$'000 Audited Year Ended 31-Dec-17
Third party revenue	31,976	39,129	60,973	71,801	137,762
(Loss)/income from operating activities	(2,273)	956	(4,668)	626	(1,486)
Finance costs	(164)	(178)	(335)	(357)	(707)
(Loss)/income before taxation	(2,437)	778	(5,003)	269	(2,193)
Taxation	(216)	(218)	338	(536)	(921)
Net (loss)/income for the period	(2,653)	560	(4,665)	(267)	(3,114)
Basic (loss)/earnings per share	(0.07)	0.01	(0.12)	(0.01)	(0.08)
Dividends per share	-	-	-	0.10	0.60

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	$'000 Unaudited Qtr Ended 30-Jun-18	$'000 Unaudited Qtr Ended 30-Jun-17	$'000 Unaudited 6 Months Ended 30-Jun-18	$'000 Unaudited 6 Months Ended 30-Jun-17	$'000 Audited Year Ended 31-Dec-17
Net (loss)/income for the period	(2,653)	560	(4,665)	(267)	(3,114)
Other comprehensive (loss)/income net of taxation	(753)	92	(734)	(3)	4
Total comprehensive (loss)/income for the period	(3,406)	652	(5,399)	(270)	(3,110)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	$'000 Unaudited Balance as at 30-Jun-18	$'000 Unaudited Balance as at 30-Jun-17	$'000 Audited Balance as at 31-Dec-17
ASSETS			
Fixed assets	103,551	115,954	110,731
Other long term assets	132,607	112,238	112,899
	236,158	228,192	223,630
Current assets	89,098	124,093	131,147
Total Assets	325,256	352,285	354,777
EQUITY AND LIABILITIES			
Stated capital	27,288	27,288	27,288
Reserves	224,818	257,648	250,830
Total equity	252,106	284,936	278,118
Non-current liabilities	48,996	47,918	49,113
Current liabilities	24,154	19,431	27,546
Total Equity and Liabilities	325,256	352,285	354,777

Peter Clarke
Chairman

Alain Nicholas Sabga
Managing Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	$'000 Stated Capital	$'000 Treasury Shares	$'000 Other Reserves	$'000 Retained Earnings	$'000 Total
Balance at 31 December, 2017	27,288	(1,460)	776	251,514	278,118
Impact of implementation of IFRS 9 and IFRS 15				(613)	(613)
Balance at 1 January, 2018	27,288	(1,460)	776	250,901	277,505
Net loss for the period	-	-	-	(4,665)	(4,665)
Other comprehensive loss	-	-	-	(734)	(734)
Dividends	-	-	-	(20,000)	(20,000)
Balance at 30 June 2018 (Unaudited)	27,288	(1,460)	776	225,502	252,106
Balance at 1 January, 2017	27,288	(1,460)	353	279,081	305,262
Net loss for the period	-	-	-	(267)	(267)
Other comprehensive loss	-	-	(3)	-	(3)
Dividends	-	-	-	(20,056)	(20,056)
Balance at 30 June, 2017 (Unaudited)	27,288	(1,460)	350	258,758	284,936
Balance at 1 January, 2017	27,288	(1,460)	353	279,081	305,262
Net loss for the period	-	-	-	(3,114)	(3,114)
Other comprehensive income/(loss)	-	-	423	(419)	4
Other transfers and movements	-	-	-	23	23
Dividends	-	-	-	(24,057)	(24,057)
Balance at 31 December 2017 (Audited)	27,288	(1,460)	776	251,514	278,118

CONSOLIDATED STATEMENT OF CASH FLOWS

	$'000 Unaudited 6 Months Ended 30-Jun-18	$'000 Unaudited 6 Months Ended 30-Jun-17	$'000 Audited Year Ended 31-Dec-17
Cash flows from operating activities			
(Loss)/income before taxation	(5,003)	269	(2,193)
Adjustment for items not affecting working capital	6,022	7,003	14,943
Operating income before working capital changes	1,019	7,272	12,750
Net change in working capital	(1,168)	18,089	7,244
Cash (used in)/generated from operations	(149)	25,361	19,994
Net interest received/(paid)	139	(237)	485
Taxation paid	(497)	(1,683)	(1,911)
Net cash (used in)/generated from operating activities	(507)	23,441	18,568
Net cash used in investing activities	(2,918)	(16,810)	(21,368)
Net cash used in financing activities	(20,000)	(20,059)	(24,496)
Net increase/(decrease) in cash and cash equivalents	(23,425)	(13,428)	(27,296)
Cash and cash equivalents at the beginning of the period/ year	71,554	98,850	98,850
Cash and cash equivalents at the end of the period/ year	48,129	85,422	71,554

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE, 2018

The accompanying notes form an integral part of these consolidated financial statements.

Note 1. Basis of preparation:

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, mary consolidated statement of changes in equity and summary consolidated statement of cash flows. The Group has adopted all the new and revised accounting standards and interpretations that are mandatory for annual accounting periods on or after 1 January 2018 and which are relevant to the Group's operations.

Note 2. Significant accounting policies:

The Group implemented Phase II – Impairment of IFRS 9, 'Financial Instruments' and adopted IFRS 15, 'Revenue from Contracts with Customers' effective 1 January 2018. Phase III – Hedge Accounting of IFRS 9 was not applicable to the Group. Retrospective application of these standards was not required. With the implementation of IFRS 9 Phase II, the resulting adjustment of $0.6M was made to retained earnings as at 1 January 2018.

Note 3. Stated Currency:

Rounded to the nearest thousand Trinidad & Tobago Dollars.

Note 4. Segment information

The Group's segments are organised and managed separately according to the nature of these services provided by each segment. The reportable segments are the Print and Multi-Media segments. The Print segment is mainly involved in newspaper circulation and other printing services for other publishers. The Multi-Media segment provides broadcasting services through its seven (7) radio stations as well as the live television station.

	Print Segment			Multi-media Segment			Total		
	Unaudited 6 Months Ended 30 Jun		Audited Year Ended 31 Dec	Unaudited 6 Months Ended 30 Jun		Audited Year Ended 31 Dec	Unaudited 6 Months Ended 30 Jun		Audited Year Ended 31 Dec
	2018	2017	2017	2018	2017	2017	2018	2017	2017
Revenue	27,934	35,957	67,569	33,039	35,844	70,193	60,973	71,801	137,762
Income/(loss) before taxation	1,001	(1,157)	(4,885)	(6,004)	1,426	2,692	(5,003)	269	(2,193)
Assets	178,644	223,701	194,437	146,612	128,584	160,340	325,256	352,285	354,777
Liabilities	36,575	42,767	37,633	36,575	24,582	39,026	73,150	67,349	76,659
Depreciation and amortisation	3,174	2,706	7,189	3,328	3,794	9,048	6,502	6,500	16,237
Capital Expenditure	128	2,395	2,339	2,790	1,163	2,875	2,918	3,558	5,214

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