Guardian MEDIA LIMITED

UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2019

Trinidad & Tobago Guardian | TBC Radio Network | Aakash Vani 106.5 FM | 95.1 Remix | Vibe CT 105 | Sangeet 106.1 | Slam 100.5 FM | Sky 99.5 | Mix 90.1 | CNC3 | the Big Board Company

CHAIRMAN'S STATEMENT

As I have been sharing with you in my earlier publications, 2019 is a challenging year for our Company given the economic realities and changing business landscape due to the digital revolution. Anticipating challenges to our results, revenues reported for the nine months ending September 30, 2019 were $83.3 million ($94.3 million – 2018) reflecting a decline of 12%. A loss before taxation of $13.1 million ($6.4 million loss – 2018) was incurred. Whilst Guardian Media is trailing in year-to-date performance over the prior year, quarterly results reflect early recovery from a first quarter loss of $6.7 million down to a second quarter loss of $3.9 million and further improvement to a third quarter loss of $2.5 million.

I noted in my earlier statements to shareholders that Guardian Media reconfigured its commercial approach to maximize opportunities in the market as well as invested in improving our sales and service capabilities earlier this year. These were key drivers in achieving a solid improvement to our sales performance in quarter three. Revenues for the quarter ending September 30, 2019 amounted to $31.2M. This is a quarter-over-quarter improvement of 16% or $4.3 million from second quarter revenues of $27M. Third quarter revenues are also ahead of first quarter revenues by 25% or $6M from $25M. We still maintain strong capital levels and our balance sheet remains healthy. Management remains focused on driving efficiencies, investing carefully and continually reducing controllable expenses.

Another positive development for your Company is that we successfully implemented a cover price increase from September 1st. This will contribute to offsetting the continuing rise in production costs. In first quarter, we integrated our Newsroom to optimize on cross media synergies between TV and Print reporters through greater collaboration and multi-media journalism. This competitive advantage enabled a successful cover price increase and has contributed to growing our audience share through the delivery of deeper and more engaging content in both entertainment and current affairs.

Another success achieved in third quarter was the successful launch of Guardian Media Community Project in the areas of Chaguanas, Sangre Grande, Princes Town, Arima, Port of Spain and San Fernando in August and September. Scores of our staff members participated with each community to host six community family day events. We successfully collaborated with businesses and residents of each community to launch a community paper and hold community talks. Following this, we successfully brought the 2019 Hero CPL T20 Caribbean Premier League to our audiences. Digital successes to date include wider reach to our audiences through 1.8 million connections daily.

While we still have some way to go in transforming our business from a traditional media house to a multi-media house, progress to date is in line with plan. I am confident that these successes are positioning the business to return to profitability. We again wish to thank our shareholders, customers and employees for their loyalty and continuing support during the third quarter of 2019.

Peter Clarke
Chairman

SUMMARY CONSOLIDATED STATEMENT OF INCOME

	$'000 Unaudited Qtr Ended 30-Sep-19	$'000 Unaudited Qtr Ended 30-Sep-18	$'000 Unaudited 9 Months Ended 30-Sep-19	$'000 Unaudited 9 Months Ended 30-Sep-18	$'000 Audited Year Ended 31-Dec-18
Third party revenue	31,240	33,307	83,263	94,280	128,256
Income/(loss) from operating activities	(2,371)	(1,236)	(12,644)	(5,904)	(347)
Finance costs	(166)	(145)	(468)	(480)	(615)
Income/(loss) before taxation	(2,537)	(1,381)	(13,112)	(6,384)	(962)
Taxation	886	567	2,517	905	(1,356)
Net income/(loss) for the period	(1,651)	(814)	(10,595)	(5,479)	(2,318)
Basic earnings/(loss) per share	(0.04)	(0.02)	(0.27)	(0.14)	(0.06)
Dividends paid per share					

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	$'000 Unaudited Qtr Ended 30-Sep-19	$'000 Unaudited Qtr Ended 30-Sep-18	$'000 Unaudited 9 Months Ended 30-Sep-19	$'000 Unaudited 9 Months Ended 30-Sep-18	$'000 Audited Year Ended 31-Dec-18
Net income/(loss) for the period	(1,651)	(814)	(10,595)	(5,479)	(2,318)
Other comprehensive income/(loss) net of taxation	67	-	30	(733)	(586)
Total comprehensive income/(loss) for the period	(1,584)	(814)	(10,565)	(6,212)	(2,904)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	$'000 Unaudited Balance as at 30-Sep-19	$'000 Unaudited Balance as at 30-Sep-18	$'000 Audited Balance as at 31-Dec-18
ASSETS			
Fixed assets	93,271	104,258	98,996
Other long term assets	121,161	113,701	119,296
	214,432	217,959	218,292
Current assets	95,348	108,182	109,282
Total Assets	309,780	326,141	327,574
EQUITY AND LIABILITIES			
Stated capital	27,288	27,288	27,288
Reserves	212,634	219,947	223,336
Total equity	239,922	247,235	250,624
Non-current liabilities	48,474	47,592	50,683
Current liabilities	21,384	31,314	26,267
Total Equity and Liabilities	309,780	326,141	327,574

PETER CLARKE
Chairman

ALAIN NICHOLAS SABGA
Managing Director

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	$'000 Stated Capital	$'000 Treasury Shares	$'000 Other Reserves	$'000 Retained Earnings	$'000 Total
Balance at 1 January, 2019	27,288	(1,554)	270	224,620	250,624
Net loss for the period	-	-	-	(10,595)	(10,595)
Other comprehensive income	-	-	30	-	30
Transfers and other movements	-	(79)	-	-	(79)
Dividends	-	-	-	(58)	(58)
Balance at 30 September, 2019 (Unaudited)	27,288	(1,633)	300	213,967	239,922
Balance at 1 January, 2018	27,288	(1,460)	776	251,514	278,118
Impact of implementation of IFRS 9	-	-	-	(488)	(488)
Balance at 1 January, 2018 (Restated)	27,288	(1,460)	776	251,026	277,630
Net loss for the year	-	-	-	(2,318)	(2,318)
Other comprehensive loss	-	-	(506)	(80)	(586)
Transfers and other movements	-	(94)	-	49	(45)
Dividends	-	-	-	(24,057)	(24,057)
Balance at 31 December, 2018 (Audited)	27,288	(1,554)	270	224,620	250,624

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	$'000 Unaudited 9 Months Ended 30-Sep-19	$'000 Unaudited 9 Months Ended 30-Sep-18	$'000 Audited Year Ended 31-Dec-18
Cash flows from operating activities			
Loss before taxation	(13,112)	(6,384)	(962)
Adjustment for items not affecting working capital	9,368	9,847	13,278
Operating income before working capital changes	(3,744)	3,463	12,316
Net change in working capital	388	3,955	(6,167)
Cash (used in)/generated from operations	(3,356)	7,418	6,149
Net interest received	391	289	1,007
Taxation paid	(820)	(900)	(1,246)
Net cash (used in)/ generated from operating activities	(3,785)	6,807	5,910
Net cash used in investing activities	(3,160)	(4,129)	(5,375)
Net cash used in financing activities	(58)	(20,000)	(24,512)
Net decrease in cash and cash equivalents	(7,003)	(17,322)	(23,977)
Cash and cash equivalents at the beginning of the period/year	47,577	71,554	71,554
Cash and cash equivalents at the end of the period/year	40,574	54,232	47,577

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2019

The accompanying notes form an integral part of these summary 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, summary consolidated statement of changes in equity and summary consolidated statement of cash flows.

Note 2. Significant accounting policies:
These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2018 audited consolidated financial statements consistently applied from period to period.
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 2019 and which are relevant to the Group's operations.

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 9 Months Ended 30-Sep		Audited Year Ended 31-Dec	Unaudited 9 Months Ended 30-Sep		Audited Year Ended 31-Dec	Unaudited 9 Months Ended 30-Sep		Audited Year Ended 31-Dec
	2019	2018	2018	2019	2018	2018	2019	2018	2018
Revenue	40,249	41,087	58,123	43,014	53,193	70,133	83,263	94,280	128,256
Income/(loss) before taxation	(9,049)	(188)	(2,509)	(4,063)	(5,291)	1,547	(13,112)	(5,479)	(962)
Assets	176,149	179,378	169,977	133,631	146,763	157,597	309,780	326,141	327,574
Liabilities	31,436	39,453	34,628	38,422	39,453	42,322	69,858	78,906	76,950
Depreciation and amortisation	4,183	4,805	6,564	5,550	5,015	8,421	9,733	9,820	14,985
Capital expenditure	1,484	266	2,030	1,919	3,863	3,561	3,403	4,129	5,591

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