Guardian MEDIA LIMITED

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE, 2019

Trinidad & Tobago Guardian | TBC Radio Network | Aakash Vani 106.5 FM Music for the Mind and Spirit | 95.1 Remix | Vibe CT 105 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

We continue to progress well in our restructuring of the business from a traditional media house to a multi-media house. Revenues for the quarter ending June 30, 2019 have improved quarter-over-quarter by 8% or $2 million ahead of first quarter revenues of $25 million. Quarterly results also reflect early recovery from a first quarter loss before taxation of $6.7 million down to a second quarter loss before taxation of $3.9 million. Anticipating challenges to our revenues in 2019, we experienced a $9 million decline in year-to-date top line revenues from $60.9 million in the prior year to $52 million in 2019. A year-to-date loss before taxation of $10.6 million ($5 million loss – 2018) was incurred. Management remains focused on driving efficiencies and continually reducing controllable expenses. I am pleased to note that notwithstanding these results, balance sheet metrics remain healthy. We still maintain strong capital levels.

We have reconfigured our commercial approach this year to maximize opportunities in the market. Our bundled services offer our clients the right mix of platforms, incorporating all aspects of both traditional and digital media. We offer more connections than any other Media house through our diverse brand portfolio of seven radio frequencies, publisher of the Trinidad Guardian and Sunday Guardian, fifteen digital billboards, a leading TV station and a growing digital portfolio. Digital successes to date include wider reach to our audiences through 1.2 million connections daily.

Audiences on all platforms are seeing deeper and more engaging content in both entertainment and current affairs. We are excited by the opportunities from our Integrated Newsroom which has enabled greater collaboration and multi-media journalism through optimizing cross media synergies between TV and Print reporters. In Print, we have invested in outsourcing international expertise this past year to strengthen our editorial capability and filled talent gaps in investigative reporting. According to latest independent newspaper survey results, the Guardian newspaper has achieved highest readership in Trinidad and Tobago. As well, the Guardian is the fastest growing newspaper with a 37% increase in circulation.

I noted in my 2018 year-end statement to shareholders that dividend payments will resume once the Company returns to profitability. Given the loss position, a 2019 interim dividend payment will not be recommended by the Board in respect of the six months ended 30 June 2019. The Board remains committed to creating value for shareholders and remain confident that by executing our strategy, delivering efficiencies, and investing carefully, we will get Guardian Media Limited back to profitability and paying dividends. We again wish to thank our shareholders, customers and employees for their loyalty and continuing support during the first six months of 2019.

Peter Clarke
Chairman

SUMMARY CONSOLIDATED STATEMENT OF INCOME

	$'000 Unaudited Qtr Ended 30-Jun-19	$'000 Unaudited Qtr Ended 30-Jun-18	$'000 Unaudited 6 Months Ended 30-Jun-19	$'000 Unaudited 6 Months Ended 30-Jun-18	$'000 Audited Year Ended 31-Dec-18
Third party revenue	26,975	31,976	52,023	60,973	128,256
Income/(loss) from operating activities	(3,718)	(2,273)	(10,274)	(4,668)	(347)
Finance costs	(133)	(164)	(301)	(335)	(615)
Income/(loss) before taxation	(3,851)	(2,437)	(10,575)	(5,003)	(962)
Taxation	260	(216)	1,631	338	(1,356)
Net income/(loss) for the period	(3,591)	(2,653)	(8,944)	(4,665)	(2,318)
Basic earnings/(loss) per share	(0.09)	(0.07)	(0.22)	(0.12)	(0.06)
Dividends paid per share					

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	$'000 Unaudited Qtr Ended 30-Jun-19	$'000 Unaudited Qtr Ended 30-Jun-18	$'000 Unaudited 6 Months Ended 30-Jun-19	$'000 Unaudited 6 Months Ended 30-Jun-18	$'000 Audited Year Ended 31-Dec-18
Net income/(loss) for the period	(3,591)	(2,653)	(8,944)	(4,665)	(2,318)
Other comprehensive income/ (loss) net of taxation	-	(753)	(37)	(734)	(586)
Total comprehensive income/ (loss) for the period	(3,591)	(3,406)	(8,981)	(5,399)	(2,904)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	$'000 Unaudited Balance as at 30-Jun-19	$'000 Unaudited Balance as at 30-Jun-18	$'000 Audited Balance as at 31-Dec-18
ASSETS			
Fixed assets	95,559	103,551	98,996
Other long term assets	120,261	132,607	119,296
	215,820	236,158	218,292
Current assets	94,598	89,098	109,282
Total Assets	310,418	325,256	327,574
EQUITY AND LIABILITIES			
Stated capital	27,288	27,288	27,288
Reserves	214,218	224,818	223,336
Total equity	241,506	252,106	250,624
Non-current liabilities	49,448	48,996	50,683
Current liabilities	19,464	24,154	26,267
Total Equity and Liabilities	310,418	325,256	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	-	-	-	(8,944)	(8,944)
Other comprehensive loss	-	-	(37)	-	(37)
Transfers and other movements	-	(79)	-	-	(79)
Dividends	-	-	-	(58)	(58)
Balance at 30 June, 2019 (Unaudited)	27,288	(1,633)	233	215,618	241,506
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 income for the year	-	-	-	(2,318)	(2,318)
Other comprehensive income/(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 6 Months Ended 30-Jun-19	$'000 Unaudited 6 Months Ended 30-Jun-18	$'000 Audited Year Ended 31-Dec-18
Cash flows from operating activities			
Loss before taxation	(10,575)	(5,003)	(962)
Adjustment for items not affecting working capital	5,974	6,022	13,278
Operating income before working capital changes	(4,601)	1,019	12,316
Net change in working capital	2,028	(1,168)	(6,167)
Cash (used in)/generated from operations	(2,573)	(149)	6,149
Net interest received	334	139	1,007
Taxation paid	(564)	(497)	(1,246)
Net cash (used in)/ generated from operating activities	(2,803)	(507)	5,910
Net cash used in investing activities	(2,125)	(2,918)	(5,375)
Net cash used in financing activities	(58)	(20,000)	(24,512)
Net decrease in cash and cash equivalents	(4,986)	(23,425)	(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	42,591	48,129	47,577

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE, 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 6 Months Ended		Audited Year Ended	Unaudited 6 Months Ended		Audited Year Ended	Unaudited 6 Months Ended		Audited Year Ended
	2019	2018	2018	2019	2018	2018	2019	2018	2018
Revenue	25,279	27,934	58,123	26,744	33,039	70,133	52,023	60,973	128,256
Income/(loss) before taxation	(6,868)	1,001	(2,509)	(3,707)	(6,004)	1,547	(10,575)	(5,003)	(962)
Assets	184,115	178,644	169,977	126,303	146,612	157,597	310,418	325,256	327,574
Liabilities	33,457	36,575	34,628	35,455	36,575	42,322	68,912	73,150	76,950
Depreciation and amortisation	3,751	3,174	6,564	2,768	3,328	8,421	6,519	6,502	14,985
Capital expenditure	1,484	128	2,030	946	2,790	3,561	2,430	2,918	5,591

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