



NAMIBIA ASSET MANAGEMENT

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2017

Registration No. 97/397 | Registered in Namibia | ISIN Code: NA000A0JMZ44 | NSX Share Code: NAM

FINANCIAL REVIEW

As a cyclical business, Namibia Asset Management's revenue stream is highly geared to the returns of the market and the outperformance we generate for clients. Despite the volatility that characterised the period under review, the Group delivered results which were in line with our expectations for the six months to 31 March 2017.

Revenue decreased by 4.9% to N\$34.5 million (2016: N\$36.3 million). The decrease in revenue is attributable to a subdued performance by the market and outflows within the unit trust business.

Operating profit for the period decreased by 13.8% to N\$10.2 million (2016: N\$11.9 million) on the back of lower revenue whilst operating expenditure remained flat.

Profit after tax decreased by 14.9% to N\$7.2 million (2016: N\$8.4 million). Headline earnings per share decreased by 6.1% to 4.65 cents (2016: 4.95 cents).

BUSINESS UPDATE AND PERFORMANCE

Despite a volatile and eventful period under review, we continue to manage our clients' funds based on our disciplined, valuation-driven investment philosophy, which has generated long-term returns that exceed the relevant benchmarks.

INSTITUTIONAL BUSINESS

Our global balanced portfolios delivered annualised returns of 14.3% and 11.2% per annum for the five and ten years to the end of March 2017, respectively. NAM's global balanced portfolios were ranked first and third over the five and ten-year periods respectively in the Alexander Forbes Namibia Best Investment View and NMG Namibia surveys to the end of March 2017.

Institutional assets under management (AUM) increased by 2.8% from N\$17.7 billion as at 30 September 2016 to N\$18.2 billion at the end of March 2017 due to reasonable fund performance.

RETAIL BUSINESS

Our unit trust funds continue to deliver on their respective mandates over meaningful periods. NAM Coronation Strategic Income Fund, our intelligent alternative investment option to cash, delivered 7.6% per annum over five years, outperforming the average return of its peer group funds by 0.89% per annum. Our absolute return fund, NAM Coronation Capital Plus Fund, delivered 8.9% per annum over five years, outperforming the average return of its peer group funds by 0.30% per annum. Our low-equity fund, the NAM Coronation Balanced Defensive Fund, returned 10.0% per annum over five years, thereby outperforming the average return of its peer group funds by 0.50% per annum. Our flagship fund for pension fund clients, the NAM Coronation Balanced Plus Fund, returned 11.7% per annum for the five years to the end of March 2017 outperforming the average return of its peer group funds by 0.40% per annum.

Our NAM Coronation Money Market Fund celebrated its first anniversary at the end of November 2016. Although it has underperformed its peer group average by 0.30% per annum to date, its overall performance has been pleasing, with a one-year return of 7.3%.

The retail business' AUM decreased by 4.3% from N\$2.3 billion as at 30 September 2016 to N\$2.2 billion as at 31 March 2017. This decline is mainly attributed to outflows experienced in some of the portfolios.

PROSPECTS

The world remains as uncertain as ever. While internationally, 2017 has thus far not delivered the kind of political surprises that we saw in the prior calendar year, we remain alert to opportunities that might be presented. The South African political environment has been less benign. Similarly, the Namibian economy has slowed and fiscal consolidation continues.

Overall, we believe that our portfolios are well positioned, with offshore exposure close to maximum levels, low holdings in bonds and holdings in local equities tilted towards businesses with offshore earning streams. While valuations have declined on the back of the deterioration in the macroeconomic environment, we require greater margins of safety when allocating client capital. Our disciplined and long-term investment philosophy, and the advantage it typically provides in volatile periods, remains our anchor in these uncertain times.

To this end, we are pleased to announce that we re-opened our top-performing SA Equity and Multi-Asset institutional portfolios in March 2017. In 2012, we closed these strategies to new institutional clients with the aim of protecting our ability to deliver on long-term performance objectives for our existing clients. After careful consideration, our complete and diversified range of portfolios is now available to clients.

Finally, our business only exists because of clients who have entrusted their savings to us. We remain grateful to our clients and shareholders for the continued support.

A Pillay
CHAIRMAN
11 May 2017

E Emvula
CHIEF EXECUTIVE OFFICER

BOARD OF DIRECTORS

A Pillay* (Chairman)
E Emvula (CEO)
U Eiseb (CFO)
RG Young*
B Rossouw

S Walters
E Angula
A Rhoda*
TN Shaanika
(* South African)

Sponsor
IJG Securities (Pty) Ltd
Member of the NSX
100 Robert Mugabe Avenue
Windhoek, Namibia

Registered office
Unit 5, Tenbergen Village
Cnr of Robert Mugabe Avenue and
Lazarett Street
Windhoek
P.O. Box 23329, Windhoek

Company secretary
U Eiseb
17 May 2017

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED 31 March 2017 N\$	UNAUDITED 31 March 2016 N\$	INTERIM CHANGE %	AUDITED 30 SEPT 2016 N\$
Revenue	34 533 571	36 294 762	(4.9)	72 403 774
Other income	318 745	161 424	97.5	272 646
Operating expenditure	(24 615 490)	(24 579 007)	0.1	(50 769 202)
Operating profit	10 236 826	11 877 179	(13.8)	21 907 218
Finance income	744 504	725 816	2.6	1 921 408
Finance costs	(314 094)	-	(100.0)	(356 022)
Profit before tax	10 667 236	12 602 995	(15.4)	23 472 604
Taxation	(3 502 257)	(4 179 234)	(16.2)	(7 710 783)
Profit attributable to ordinary shareholders	7 164 979	8 423 761	(14.9)	15 761 821
Other comprehensive income				
Net change in fair value of available-for-sale financial assets (before income tax)	4 538	73 333	(93.8)	224 586
Other comprehensive income for the period	4 538	73 333	(93.8)	224 586
Total comprehensive income for the period	7 169 517	8 497 094	(15.6)	15 986 407

All comprehensive income is attributable to equity holders of the Group

EARNINGS PER SHARE (cents)				
- Basic	4.65	4.95	(6.1)	10.22
- Diluted	4.44	4.88	(9.0)	9.81

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	UNAUDITED 31 MARCH 2017 N\$	UNAUDITED 31 MARCH 2016 N\$	AUDITED 30 SEPT 2016 N\$
ASSETS			
Non – current assets	7 391 134	6 600 012	7 723 605
Equipment	901 832	202 107	1 002 989
Intangible assets	8 434	78	10 628
Marketable securities (Note 4)	5 000 000	5 000 000	5 000 000
Deferred tax	1 480 868	1 397 827	1 709 988
Current assets	31 265 171	30 156 149	38 978 897
Marketable securities (Note 4)	4 275 231	7 187 017	4 532 909
Trade and other receivables	12 499 442	12 121 916	12 159 239
Current tax asset	682 304	5 327	746 921
Cash and cash equivalents	13 808 194	10 841 889	21 539 828
TOTAL ASSETS	38 656 305	36 756 161	46 702 502
EQUITY AND LIABILITIES			
TOTAL EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	16 089 710	23 837 271	23 198 739
Issued capital and share premium	3 794 152	4 214 160	3 794 152
Reserve for own shares	(9 579 250)	(1 599 258)	(9 579 250)
Share based payment reserve	2 199 253	1 580 214	1 852 370
Fair value reserve	1 661 992	1 506 201	1 657 454
Retained earnings	18 013 563	18 135 954	25 474 013
Non-current liabilities	7 015 434	-	8 756 022
Interest bearing liabilities (Note 5)	7 015 434	-	8 756 022
Current liabilities	15 551 161	12 918 890	14 747 741
Shareholders for dividend	122 322	368 318	368 192
Trade and other payables	15 428 839	12 550 572	14 379 549
TOTAL EQUITY AND LIABILITIES	38 656 305	36 756 161	46 702 502

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital N\$	Share premium N\$	Retained earnings N\$	Share based payment reserve N\$	Reserve for own Shares N\$	Fair value reserve N\$	Total N\$
Unaudited							
Balance as at 01 October 2015 (audited)	1 962 300	2 251 860	24 612 741	1 435 154	(1 599 258)	1 432 868	30 095 665
Comprehensive income for the period	-	-	8 423 761	-	-	73 333	8 497 094
Profit for the period	-	-	8 423 761	-	-	-	8 423 761
Other comprehensive income for the year	-	-	-	-	-	73 333	73 333
Transactions with owners recorded directly to equity	-	-	(14 900 548)	145 060	-	-	(14 755 488)
Share based payments	-	-	-	145 060	-	-	145 060
Dividends paid to equity holders	-	-	(14 900 548)	-	-	-	(14 900 548)
Balance as at 31 March 2016 (unaudited)	1 962 300	2 251 860	18 135 954	1 580 214	(1 599 258)	1 506 201	23 837 271
Comprehensive income for the period	-	-	7 338 059	-	-	151 253	7 489 312
Profit for the period	-	-	7 338 059	-	-	-	7 338 059
Other comprehensive income for the period	-	-	-	-	-	151 253	151 253
Transactions with owners recorded directly to equity	(420 008)	-	-	272 156	(7 979 992)	-	8 127 844
Share based payments	-	-	-	272 156	-	-	272 156
Acquisition of NAM shares by the Urban Street Trust	(420 008)	-	-	-	(7 979 992)	-	(8 400 000)
Balance as at 30 September 2016 (audited)	1 542 292	2 251 860	25 474 013	1 852 370	(9 579 250)	1 657 454	23 198 739
Comprehensive income for the period	-	-	7 164 979	-	-	4 538	7 169 517
Profit for the period	-	-	7 164 979	-	-	-	7 164 979
Other comprehensive income for the period	-	-	-	-	-	4 538	4 538
Transactions with owners recorded directly to equity	-	-	(14 625 429)	346 883	-	-	(14 278 546)
Share based payments	-	-	-	346 883	-	-	346 883
Dividends paid to equity holders	-	-	(14 625 429)	-	-	-	(14 625 429)
Balance as at 31 March 2017 (unaudited)	1 542 292	2 251 860	18 013 563	2 199 253	(9 579 250)	1 661 992	16 089 710

CONDENSED GROUP STATEMENT OF CASH FLOWS

	UNAUDITED 31 MARCH 2017 N\$	UNAUDITED 31 MARCH 2016 N\$	AUDITED 30 SEPT 2016 N\$
Cash flows from operating activities			
Cash receipts from customers	34 512 113	37 293 823	73 472 934
Cash paid to suppliers and employees	(23 087 597)	(41 066 925)	(64 907 301)
Cash generated by operations	11 424 516	(3 773 102)	8 565 633
Finance income	785 078	400 947	1 508 662
Taxation	(3 208 519)	(3 629 051)	(8 299 586)
Dividends paid	(14 871 299)	(14 837 677)	(14 837 804)
Net cash flow from operating activities	(5 870 224)	(21 838 883)	(13 063 095)
Cash flow from investing activities			
Acquisitions of equipment to maintain operations	(28 370)	(67 310)	(957 354)
Proceeds from sale of equipment	-	-	3 800
Movement in marketable securities	221 642	(2 576 862)	231 533
Net cash flows from investing activities	193 272	(2 644 172)	(722 021)
Cash flows from financing activities			
Repayment of Interest-bearing liabilities (Note 5)	(2 054 682)	-	-
Net cash flows from financing activities	(2 054 682)	-	-
Net movement in cash and cash equivalents	(7 731 634)	(24 483 055)	(13 785 116)
Cash and cash equivalents at the beginning of the period	21 539 828	35 324 944	35 324 944
Cash and cash equivalents at the end of the period	13 808 194	10 841 889	21 539 828

4. EARNINGS PER SHARE

	UNAUDITED 31 MARCH 2017 N\$	UNAUDITED 31 MARCH 2016 N\$	AUDITED 30 SEPT 2016 N\$
Earnings			
Earnings per share is based on basic earnings of:	7 164 979	8 423 761	15 761 821
Headline earnings per share is based on headline earnings of:	7 164 979	8 423 761	15 758 021
Reconciliation of basic earnings to headline earnings			
Basic earnings	7 164 979	8 423 761	15 761 821
Profit on sale of equipment	-	-	(3 800)
Headline earnings attributable to ordinary shareholders	7 164 979	8 423 761	15 758 021
Weighted average number of ordinary shares in issue	154 229 200	170 229 200	154 229 200
Diluted weighted average number of ordinary shares in issue*	161 338 963	172 482 172	160 563 809
Reconciliation of statutory shares in issue to diluted ordinary shares in issue			
Authorised and issued shares	200 000 000	200 000 000	200 000 000
Treasury shares			
- Shares held by NAM Staff Share Trust	(3 770 000)	(3 770 000)	(3 770 000)
- Shares held by The Urban Street Trust	(42 000 800)	(26 000 800)	(42 000 800)
Weighted average number of shares in issue**	154 229 200	170 229 800	154 229 200
Effect of share options outstanding	7 109 763	2 252 972	6 334 609
Diluted ordinary shares in issue	161 338 963	172 482 172	160 563 809
	(cents)	(cents)	(cents)
Basic earnings per share	4.65	4.95	10.22
Headline earnings per share	4.65	4.95	10.22
Diluted earnings per share	4.44	4.88	9.81
* Dilution of ordinary share takes place if all staff exercise their options			
** after consolidation of treasury shares held			

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

1. REPORTING ENTITY

Namibia Asset Management Ltd (the "Company") is a Company incorporated in Namibia. The condensed group financial statements for the six months ended 31 March 2017 comprise the Company and its subsidiaries (together referred to as the "Group").

2. STATEMENT OF COMPLIANCE

These condensed Group financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) IAS 34, Interim Financial Reporting and in the manner required by the Namibian Companies Act 28 of 2004. These condensed Group financial statements do not include all the information necessary for full International Financial Reporting Standard disclosures. These condensed Group financial statements were approved by the Board of Directors on 11 May 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed Group financial statements are the same as those applied by the Group in its full Group financial statements as at and for the year ended 30 September 2016.

4. MARKETABLE SECURITIES

Marketable securities includes statutory investments as well as the investment of excess cash into the Group's unit trust funds. These investments are classified as level one financial instruments as their carrying values are based on quoted prices in active markets for identical assets.

5. INTEREST-BEARING LIABILITIES

The interest bearing liabilities pertain to the acquisition of shares from Coronation Investment Managers SA by the Urban Street Trust, a controlled entity of NAM. The loan is repayable with any dividends that accrue on the 16 000 000 shares acquired as well as 30% of the dividends that accrue on the pre-existing 26 000 800 shares. The repayment would first be applied to any accrued interest and thereafter to the capital balance. The loan attracts interest at the prime rate of Nedbank South Africa less 200 basis points. The 16 000 000 shares are held as security against the loan amount until the loan and attributable interest is fully settled.