

Nictus Holdings Limited
(Incorporated in the Republic of Namibia)
(Registration number 1962/1735)
Share Code: NHL

ISIN Code: NA000A1J2SS6

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

		Unaudited	Audited
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
	Note	Six months ended 30 Sept 12 N\$'000	Six months ended 30 Sept 11 31 Mar 12 N\$'000
Revenue		247,455	251,869
Cost of sales		(192,140)	(195,283)
Claims incurred		(10,736)	(12,960)
Gross profit		44,579	43,626
Other income		3,368	3,884
Investment income from operations		7,482	14,058
Operating and administrative expenses	5	(56,628)	(50,273)
Operating (loss) / profit		(1,199)	11,295
Investment income		4,333	1,725
Operating profit before financing costs		3,134	13,020
Financing costs		(1,952)	(1,833)
Profit before taxation		1,182	11,187
Taxation		506	(1,433)
Profit for the period		1,688	9,754
<i>Other comprehensive income for the period, net of tax</i>		-	7,426
Total comprehensive income for the period		1,688	17,180
Total comprehensive income attributable to:			
Owners of the Company		1,688	17,180
Earnings per share			
Basic earnings per share (cents)		3.16	3,901.60
Diluted earnings per share (cents)		3.16	3,901.60
Number of shares in issue (000's)		53,443	250

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 Sept 12	30 Sept 11	31 Mar 12
Note	N\$'000	N\$'000	N\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	124,735	80,503	120,550
Intangible assets and goodwill	316	1,858	380
Investments	14,761	20,489	7,021
Loans to associated companies	7,500	-	7,500
Loans and receivables	167,519	171,199	196,284
Deferred tax assets	2,937	9,955	4,795
	317,768	284,004	336,530
Current assets	490,212	409,397	494,596
Non-current assets held for sale	-	18,849	-
Total assets	<u>807,980</u>	<u>712,250</u>	<u>831,126</u>
EQUITY			
Share capital	129	129	129
Revaluation reserve	46,243	29,462	46,243
Contingency reserve	9,297	2,988	9,196
Retained income	34,696	51,246	63,109
Total equity	<u>90,365</u>	<u>83,825</u>	<u>118,677</u>
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	7,816	4,776	4,819
Deferred tax liabilities	14,528	12,944	10,393
	22,344	17,720	15,212
Current liabilities*	695,271	610,705	697,237
Insurance contract liability	584,288	518,697	582,441
Other current liabilities	110,983	92,008	114,796
Total liabilities	<u>717,615</u>	<u>628,425</u>	<u>712,449</u>
Total equity and liabilities	<u>807,980</u>	<u>712,250</u>	<u>831,126</u>

*Included in current liabilities is the insurance contract liability. Premiums received under this liability are invested in terms of the insurance act enacted in Namibia with the result that certain investments are of a long-term nature.

	Unaudited		Audited
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW			
	Six months ended 30 Sept 12	Six months ended 30 Sept 11	Year ended 31 Mar 12
Note	N\$'000	N\$'000	N\$'000
Cash flow from operating activities			
Cash utilised by operations	(46,726)	(26,292)	(42,380)
Investment income from operations received	4,333	1,294	5,851
Interest paid	(1,952)	(1,833)	(4,265)
Ordinary dividends received	2,114	12,187	-
Taxation paid	(323)	(652)	(201)
Net cash flow utilised by operating activities	(42,554)	(15,296)	(40,995)
Net cash flow generated from investing activities			
Net cash (utilised by) / generated from financing activities	20,243	1,691	2,655
	(6,051)	(19,528)	55,332
Net (decrease) / increase in cash and cash equivalents	(28,362)	(33,133)	16,992
Cash and cash equivalents at beginning of period	209,696	192,704	192,704
Cash and cash equivalents at end of period	181,334	159,571	209,696

CONDENSED SEGMENT REPORT

	Six months ended 30 Sept 12	Six months ended 30 Sept 11	Year ended 31 Mar 12
Note	N\$'000	N\$'000	N\$'000
Segment assets			
Motor retail	236,223	207,025	245,546
Furniture retail	116,805	68,500	131,900
Insurance & Finance	662,979	618,190	630,537
	1,016,007	893,715	1,007,983
Head office and eliminations	(208,027)	(181,465)	(176,857)
	807,980	712,250	831,126
Segment revenue			
Motor retail	195,026	197,761	414,817
Furniture retail	31,218	27,821	58,909
Insurance & Finance	28,969	27,088	56,743
	255,213	252,670	530,469
Head office and eliminations			

	(7,758)	(801)	(14,123)
	247,455	251,869	516,346
Operating profit after taxation	-	-	-
Motor retail	1,054	1,420	2,661
Furniture retail	1,025	827	1,375
Insurance & Finance	5,221	11,129	17,711
	7,300	13,376	21,747
Head office and eliminations	(5,612)	(3,622)	384
	1,688	9,754	22,131

RECONCILIATION BETWEEN EARNINGS & HEADLINE EARNINGS

	Six months ended 30 Sept 12	Six months ended 30 Sept 11	Year ended 31 Mar 12
Note	N\$'000	N\$'000	N\$'000
Profit for the period, net of taxation	1,688	9,754	22,131
Fair value adjustment on investment property	-	-	(7,025)
Goodwill impairment loss	-	-	1,647
Profit on disposal of property, plant and equipment	-	-	(30)
Headline earnings	1,688	9,754	16,723
Headline earnings per share (cents)	3.16	3,901.60	6,689.20
Diluted Headline earnings per share (cents)	3.16	3,901.60	6,689.20

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital N\$'000	Revaluation reserve N\$'000	Contingency reserve N\$'000	Retained income N\$'000	Total equity N\$'000
Balance at 1 April 2011	129	22,036	11,708	32,772	66,645
<i>Total comprehensive income</i>	-	-	-	9,754	9,754
Profit for the period	-	-	-	9,754	9,754
<i>Other comprehensive income</i>	-	7,426	-	-	7,426
Revaluation of land and buildings, net of tax	-	7,426	-	-	7,426
<i>Transfers to retained earnings</i>	-	-	(8,720)	8,720	-
Transfer from contingency reserve	-	-	(8,720)	8,720	-

Balance at 30 September 2011	129	29,462	2,988	51,246	83,825
<i>Total comprehensive income</i>	-	-	-	12,377	12,377
Profit for the period	-	-	-	12,377	12,377
<i>Other comprehensive income</i>	-	32,475	-	-	32,475
Revaluation of land and buildings, net of tax	-	32,475	-	-	32,475
<i>Transfers to retained earnings</i>	-	(15,694)	6,208	9,486	-
Transfer to contingency reserve	-	-	6,208	(6,208)	-
Revaluation of land and buildings sold during the year, net of tax	-	(15,694)	-	15,694	-
<i>Contributions by and to the owners of the Group</i>	-	-	-	(10,000)	(10,000)
Dividends to equity holders	-	-	-	(10,000)	(10,000)
Balance at 31 March 2012	129	46,243	9,196	63,109	118,677
<i>Total comprehensive income</i>	-	-	-	1,688	1,688
Profit for the period	-	-	-	1,688	1,688
<i>Transfers to retained earnings</i>	-	-	101	(101)	-
Transfer to contingency reserve	-	-	101	(101)	-
<i>Contributions by and to the owners of the Group</i>	-	-	-	(30,000)	(30,000)
Dividends to equity holders	-	-	-	(30,000)	(30,000)
Balance at 30 September 2012	129	46,243	9,297	34,696	90,365

NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRSs), the presentation and disclosure requirements of IAS 34: Interim Financial Reporting, the Companies Act of Namibia and the AC 500 series issued by the Accounting Policies Board (APB). The accounting policies are consistent with those applied for the year ended 31 March 2012. There are no new standards and interpretations effective for the six months ended 30 September 2012. The condensed consolidated interim financial results are unaudited and have not been reviewed by the auditors.

2. FOREIGN CURRENCY

The Group's functional and presentation currency is the Namibian Dollar, as the Company's primary listing is on the Namibian Stock Exchange (NSX).

3. COMPARATIVE FIGURES

The comparative information for the six months ended 30 September 2011, is consistent with the accounting policies and basis of presentation applied to both the current interim financial period and the previous financial year ended 31 March 2012.

4. RELATED PARTIES

During the period under review, certain companies within the Group entered into transactions with each other. These intra-Group transactions have been eliminated on

consolidation. Related party information remains unchanged from that reported at 31 March 2012. Refer to the 31 March 2012 Pre-Listing Statement ("PLS") for further information.

5. REVIEW OF OPERATIONS

Profit before taxation

- Group revenue decreased by 2% to N\$247 million.
- The Group's asset base increased by 13% to N\$808 million.
- Gross profit increased by 2% to N\$44 million.
- Profit for the period decreased to N\$1.7 million.
- Operating and administrative expenses increased by 13% to N\$56 million.

The increase in operating and administrative expenses of 13% was partly due to the costs incurred in respect of the unbundling. These costs amounted to approximately N\$1 million and were incurred during the six months ended 30 September 2012.

These costs will not have a continuing effect on the financial results of Nictus. The remainder of the increase is due to normal growth of expenses associated with the expanding segments. Investment income was significantly lower in comparison with the six months ended 30 September 2011, due to the fair value adjustment on investment property that formed part of the insurance and finance segment.

Overview of first six months

The unbundling of the Group was finalised within the first six months of the year. The effective date of the unbundling was 31 August 2012 when shareholders approved the unbundling transaction. Nictus Holdings Limited, holding all Namibian operations, was listed as a primary listing on the Namibian Stock Exchange effective 21 September 2012. The profit for the period decreased significantly compared to the first six months of the prior period. During the first six months investment income from operations was significantly less than the comparable period.

The turmoil in the South African economy resulting from the initial strikes in the mining sector and spreading throughout other sectors of the economy will affect other regions in Southern Africa, including Namibia. The longer term effect will only be visible in the second half of the financial year.

6. SEGMENT RESULTS

There was no change in the segments from the 31 March 2012 reported in the Pre-Listing Statement.

Motor retail: Revenue from the motor retail segment remained constant in comparison to revenue for the six months ended 30 September 2011. Revenue in the segment remained under pressure, especially the sale of new vehicles. With the new Isuzu range of vehicles being launched in 2013, product availability during the past six months were challenging. The long awaited new Chevrolet Trailblazer will be launched during November 2012 in Namibia and should have a positive effect on sales.

Furniture retail: Revenue from the furniture retail segment increased by 12%. Profit increased positively by 24% compared to the first six months of the prior year. Growth was obtained through increased market focus through our normal distribution channels.

Insurance and finance: Segment revenue for the first six months ended 30 September 2012 increased by 7% compared to the comparable period. Investment income was significantly lower than in the previous period, due to the fair value adjustment on investment property that formed part of the insurance and finance segment for the six months ended 30 September 2011. The operating profit after taxation for the six months ended 30 September 2012 is lower in comparison to the comparable period due to the fair value adjustment on investment property for the six months ended 30 September 2011. The performance of equities on the JSE remains highly unpredictable and is monitored constantly to ensure returns are maximised.

7. HEADLINE EARNINGS

For the six month period ended 30 September 2012 there were no items that impacted the headline earnings calculation.

8. BASIC EARNINGS PER SHARE

Earnings per share based on profit for the six months ended 30 September 2012 was 3.16 cents (30 September 2011: 3 901.60 cents), compared to a headline earnings per share of 3.16 cents (30 September 2011: 3 901.60 cents).

9. INTERIM DIVIDEND

No interim dividend has been proposed by the Board of directors.

10. DIRECTORS

There were no changes to directors since the listing of the Group on 21 September 2012.

11. PROSPECTS

The employees' unrest in South Africa could potentially have a long term negative effect on the economy in Southern Africa in general. The first signs of employees' unrest is also visible in Namibia, but fortunately not on the same scale as in South Africa. The result would be that investors will be looking to more stable economies to invest capital resulting in an outflow of capital.

The Namibian Mining sector is also under pressure with various uranium mines decreasing activities. Due to the decrease in investment, consumer spending will also be affected in the surrounding areas.

Historically the majority of the Group's earnings are earned in the second part of the financial year and the board is of the opinion that the same will apply in the current financial year.

On behalf of the board:

J J Retief

W O Fourie

Windhoek, 6 December 2012

Sponsor to Nictus Holdings Limited in Namibia

Simonis Storm Securities (Pty) Ltd

Member of the Namibian Stock Exchange