



NAMIBIA ASSET MANAGEMENT  
LIMITED

Wealth through Wisdom

CONDENSED GROUP BALANCE SHEET

	Unaudited 6 months 31 March 2008 N\$'000	Unaudited 6 months 31 March 2007 N\$'000	Audited 12 months 30 September 2007 N\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>3,744</b>	<b>5,307</b>	<b>3,155</b>
Equipment	196	190	180
Intangible assets	9	27	14
Investments	3,000	2,000	2,000
Deferred taxation	539	3,090	961
<b>Current assets</b>	<b>17,156</b>	<b>14,479</b>	<b>19,282</b>
Trade and other receivables	5,673	5,457	5,671
Investments	577	-	609
Taxation	107	-	-
Cash and cash equivalents	6,893	3,692	9,476
Assets classified as held for sale	3,906	5,330	3,526
<b>TOTAL ASSETS</b>	<b>20,900</b>	<b>19,786</b>	<b>22,437</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>	<b>12,870</b>	<b>13,567</b>	<b>16,440</b>
Issued share capital and share premium	7,923	7,923	7,923
Reserve for own shares	(633)	(1,092)	(705)
Share based payment reserve	683	-	607
Retained earnings	4,897	6,736	8,615
<b>Current liabilities</b>	<b>8,030</b>	<b>6,219</b>	<b>5,997</b>
Trade and other payables	5,311	2,595	5,252
Income tax payable	-	59	-
Shareholders for dividend	96	41	91
Bank overdrafts	2,317	89	6
Short-term provisions	-	1,639	-
Liabilities classified as held for sale	306	1,796	648
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,900</b>	<b>19,786</b>	<b>22,437</b>

CONDENSED GROUP INCOME STATEMENT

	Unaudited 6 months 31 March 2008 N\$'000	Unaudited 6 months 31 March 2007 N\$'000	Audited 12 months 30 September 2007 N\$'000	Interim Change %
<b>CONTINUING OPERATIONS</b>				
Revenue*	13,862	12,313	27,329	12.6
Other income	-	408	474	(100.0)
Operating expenditure	(9,270)	(9,395)	(19,992)	1.3
<b>Operating profit before interest and tax</b>	<b>4,592</b>	<b>3,326</b>	<b>7,811</b>	<b>38.1</b>
Net financing income	515	265	565	94.3
<b>Profit before tax</b>	<b>5,107</b>	<b>3,591</b>	<b>8,376</b>	<b>42.2</b>
Income tax	(1,935)	(1,197)	(3,001)	(61.7)
<b>Profit for the period - Continuing operations</b>	<b>3,172</b>	<b>2,394</b>	<b>5,375</b>	<b>32.5</b>
<b>DISCONTINUED OPERATIONS</b>				
Other income	586	-	-	100.0
Operating expenditure	(75)	-	(840)	(100.0)
<b>Operating profit/(loss) before interest and tax</b>	<b>511</b>	<b>-</b>	<b>(840)</b>	<b>100.0</b>
Net financing income	138	124	249	11.3
<b>Profit/(loss) for the period - Discontinued operations</b>	<b>649</b>	<b>124</b>	<b>(591)</b>	<b>423.4</b>
<b>Total profit for the period attributable to ordinary shareholders</b>	<b>3,821</b>	<b>2,518</b>	<b>4,784</b>	<b>51.7</b>
<b>Earnings per share in cents</b>				
Basic	2.03	1.35	2.56	50.5
Headline	2.03	1.35	2.55	50.5

\*Asset Management Fees received from third party funds invested in international investments were in the past included in revenue net of management fees paid to related parties. This has now been corrected in the 30 September 2007 financial year end and revenue on the face of the income statement for 31 March 2007 now shows the gross revenue. The restatement has no effect on taxation, nor on earnings per share, as operating expenditure also increases with the same amount.

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Ordinary Share Capital N\$'000	Share Premium N\$'000	Retained Earnings N\$'000	Deemed Treasury Shares N\$'000	Share Based Payment Reserve N\$'000	Total N\$'000
<b>Balance as at 1 October 2006</b>	<b>1,869</b>	<b>6,054</b>	<b>9,824</b>	<b>(1,092)</b>	<b>-</b>	<b>16,655</b>
Staff share options issued	-	-	(386)	386	-	-
Share based payment after tax	-	-	-	-	607	607
Net profit for the year	-	-	4,784	-	-	4,784
Dividends Paid	-	-	(5,606)	-	-	(5,606)
<b>Balance as at 30 September 2007</b>	<b>1,869</b>	<b>6,054</b>	<b>8,616</b>	<b>(706)</b>	<b>607</b>	<b>16,440</b>
Share based payment after tax	-	-	-	-	76	76
Proceeds from sale of shares by share incentive scheme	-	-	-	73	-	73
Net profit for the period	-	-	3,821	-	-	3,821
Dividends paid	-	-	(7,540)	-	-	(7,540)
<b>Balance as at 31 March 2008</b>	<b>1,869</b>	<b>6,054</b>	<b>4,897</b>	<b>(633)</b>	<b>683</b>	<b>12,870</b>

CONDENSED GROUP CASH FLOW STATEMENT

	Unaudited 6 months 31 March 2008 N\$'000	Unaudited 6 months 31 March 2007 N\$'000	Audited 12 months 30 September 2007 N\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	4,649	3,795	9,950
Dividends paid	(7,535)	(5,643)	(5,594)
Taxation	(1,660)	-	(59)
Finance income	662	394	833
Finance cost	(9)	(5)	(19)
<b>Net cashflow from operating activities</b>	<b>(3,893)</b>	<b>(1,459)</b>	<b>5,111</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of equipment to maintain operations	(44)	(80)	(181)
Acquisitions of intangible assets	-	-	(6)
Current investments (made) / redeemed	(1,000)	1,174	685
Proceeds from sale of equipment	-	-	10
<b>Net cash flows from investing activities</b>	<b>(1,044)</b>	<b>1,094</b>	<b>508</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from sale of shares by share incentive scheme	72	-	-
<b>Net cash flows from financing activities</b>	<b>72</b>	<b>-</b>	<b>-</b>
<b>Net movement in cash and cash equivalents</b>	<b>(4,865)</b>	<b>(365)</b>	<b>5,619</b>
Cash and cash equivalents at beginning of period	12,836	7,217	7,217
<b>Cash and cash equivalents at end of period</b>	<b>7,971</b>	<b>6,852</b>	<b>12,836</b>

CONDENSED SEGMENT INFORMATION

	Segment revenue Unaudited 6 months 31 March 2008 N\$'000	Segment revenue Unaudited 6 months 31 March 2007 N\$'000	Segment revenue Audited 12 months 30 September 2007 N\$'000
Asset and unit trust management	13,862	12,313	27,329
Re-insurance	-	-	-
Debt-collection	-	-	-
Other	-	-	-
	<b>Segment result before interest and tax Unaudited 6 months 31 March 2008 N\$'000</b>	<b>Segment result before interest and tax Unaudited 6 months 31 March 2007 N\$'000</b>	<b>Segment result before interest and tax Audited 12 months 30 September 2007 N\$'000</b>
Asset and unit trust management	4,592	2,453	7,337
Re-insurance	(65)	65	(840)
Debt-collection	-	-	-
Other	(10)	-	-

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB). The accounting policies are consistent with those applied in the comparative financial periods.

Financial Review

The Namibian Asset Management Group "NAM" is pleased to report a satisfactory set of results for the six month period ended 31 March 2008.

Group results for the six months period ended 31 March 2008 are compared to those of the six month period ended 31 March 2007. Against the background of the turbulent financial markets, core revenue, consisting of asset management fee income, still increased by 12.6% to N\$ 13.8 million (2007: N\$ 12.3 million). Other non-core income increased by 100% as bad debts written off in the previous financial year for the discontinued reinsurance business are now being recovered. A desired cost containment has been achieved with a decrease in core operating expenditure of 1.3% to N\$ 9.3 million (2007: N\$ 9.4 million). Profit after tax increased by 51.7% to N\$ 3.8 million (2007: N\$ 2.5 million). Due to the above-mentioned, headline earnings per share are up 50.5% to 2.03 cents (2007: 1.35 cents).

Asset Management

Financial market performance

Global markets experienced something of a meltdown in January 2008, as the banking crisis escalated and it became increasingly clear that the US economy is headed for recession. The banking crisis will precipitate a contraction in credit as banks de-leverage and rebuild their balance sheets. As house prices continue to slip, consumers will come under increasing pressure to retrench and rebuild savings. Despite these very real concerns, we are optimistic about global equities. While it is tempting to 'sit on the sidelines' while the news-flow is poor, stocks are now trading at very attractive levels.

The outlook for the South African economy has deteriorated as inflation remains stubbornly high and higher interest rates bite. Confidence has collapsed as power outages and political uncertainty aggravate an already fragile situation. Although higher interest rates are working, the risk of further rate hikes cannot be ignored. Fortunately the downturn comes at a time of massive infrastructure spend which should smooth the cycle out somewhat. We are of the view that this remains a normal cycle.

For the entire duration of the bull market a 'rising tide lifted all boats' and virtually all sectors produced handsome returns. Over the last 12 months returns have diverged, with commodity stocks continuing their rampant run and domestic stocks coming under heavy selling pressure. We have been able to find many quality companies with strong franchises and good earnings prospects at ratings we haven't seen since early 2003, one of the biggest buying opportunities in history.

Our client portfolios remain defensively positioned within the domestic universe.

Institutional

Assets under management increased by 3.8% from N\$ 7.9 billion (March 2007) to N\$ 8.2 billion (March 2008).

NAM's best investment house view portfolios performance came under pressure over the last 12 months but continues to perform strongly over the longer term, ending 4th and 3rd in the Alexander Forbes Survey of Namibian Retirement Funds for the one and three years periods respectively ending March 2008. NAM's Namibian only discretionary mandates also continued to perform strongly over the immediate to longer term, ending 3rd and 2nd in the Alexander Forbes Survey of Namibian Retirement Funds for the one and three years periods ending March 2008.

Retail

The re-branding and repositioning of our two unit trust funds namely the Nam Coronation Balanced Defensive Fund and the Nam Coronation Strategic Income Fund are complete.

The Nam Medical Absolute Fund is also up and running and we received the first inflow into the fund during February 2008. This unit trust portfolio is aimed at institutional medical aid funds and the investment objective is to provide real return in excess of inflation.

Futeni (Debt Collection)

The court-mandated sale of the last remaining secured property failed by reason of the buyer's default and a further attempt will be made in the second half of the financial year.

Harvest Reinsurance

Good progress has been made in settling debtors and creditors and the winding up process will continue in the second half of the financial year. As mentioned earlier, bad debts recovered amounted to over half a million Namibia dollars and, as a result, this subsidiary returned a net profit of N\$ 650 000.

Prospects

For a number of months now, clouds have been gathering over the global economy as the interaction of credit turmoil, housing weakness and rising energy prices weighs on growth and sentiment. The storm that started during the last quarter of 2007 evolved into a hurricane during the month of January and this has had a very adverse effect on global and domestic financial markets.

Since NAM's revenue is to a large extent subject to the mercy of the financial markets, we have succeeded in this round to increase our profitability handsomely. We however need to warn our shareholders

that the cost base of NAM can increase significantly in the near future which means that NAM can experience a double whammy through higher costs and lower revenue due to weaker financial markets.

We are extremely grateful and proud of the on-going support and confidence that our clients have demonstrated by entrusting their savings/assets to us. We would also like to thank our staff for their continued dedication and commitment.

Dividend

Company policy is that no payment of dividend is made at the interim stage.

AMUSHIMBA  
Chairman

AB BERTOLINI  
Chief Executive

BOARD OF DIRECTORS:

AMUSHIMBA (Chairman)      AB BERTOLINI (Chief Executive)  
HANELSON\*                      P DAVIS\*  
RG YOUNG\*                        MF FEHRSEN  
B DEMPSEY  
(\* South African)

COMPANY SECRETARY

Cornell Karsten

REGISTERED OFFICE

1st Floor, KPMG House, 24 Orban Street, Klein Windhoek  
P.O. Box 23329, Windhoek, Namibia

SPONSOR

IJG Securities (Pty) Ltd  
12 Love Street, Windhoek, Namibia

TRANSFER SECRETARIES

Transfer Secretaries (Pty) Ltd  
Shop 8, Kaiser Krone, Post Street Mall, Windhoek, Namibia