



NAMIBIA ASSET MANAGEMENT LIMITED

Wealth through Wisdom

“Rain is grace;
rain is the sky
condescending
to the earth;
without rain
there would be
no life”

John Updike

CONDENSED GROUP BALANCE SHEET

	Unaudited 6 months 31 March 2010 N\$'000	Unaudited 6 months 31 March 2009 N\$'000	Restated Audited 12 months 30 September 2009 N\$'000
ASSETS			
Non-current assets	5,475	4,677	4,744
Equipment	156	132	143
Intangible assets	11	8	11
Investments	4,000	3,000	3,000
Deferred taxation	1,308	1,537	1,590
Current assets	14,927	12,866	13,543
Trade and other receivables	5,483	4,728	4,938
Investments	918	536	792
Cash and cash equivalents	8,526	3,373	7,813
Assets classified as held for sale	-	4,229	-
TOTAL ASSETS	20,402	17,543	18,287
EQUITY AND LIABILITIES			
Total equity	12,871	13,040	11,878
Issued share capital and share premium	4,163	7,955	4,153
Reserve for own shares	(469)	(502)	(503)
Share based payment reserve	939	899	905
Retained earnings	8,238	4,688	7,323
Current liabilities	7,531	4,503	6,409
Trade and other payables	6,010	3,323	4,679
Income tax payable	1,318	27	249
Shareholders for dividend	120	117	119
Bank overdrafts	83	1,036	1,362
Liabilities classified as held for sale	-	-	-
TOTAL EQUITY AND LIABILITIES	20,402	17,543	18,287

CONDENSED GROUP INCOME STATEMENT

	Note	Unaudited 6 months 31 March 2010 N\$'000	Unaudited 6 months 31 March 2009 N\$'000	Interim YOY Change %	Restated* Audited 12 months 30 September 2009 N\$'000
CONTINUING OPERATIONS	6				
Revenue		14,535	11,496	26.4	23,540
Other income		6	71	(91.5)	80
Operating expenditure		(10,207)	(7,744)	31.8	(16,291)
Operating profit before interest and tax		4,334	3,823	13.4	7,329
Finance income		468	447	4.7	827
Finance costs		(17)	-	(100.0)	(39)
Profit before tax		4,785	4,270	12.1	8,117
Income tax		(1,577)	(1,549)	1.8	(2,907)
Profit for the period - Continuing operations		3,208	2,721	17.9	5,210
DISCONTINUED OPERATIONS					
Other income		-	50	-	99
Operating expenditure		-	(125)	-	(5)
Operating (loss)/profit before interest and tax		-	(75)	-	94
Finance income		-	182	-	294
Profit before tax		-	107	-	388
Income tax		-	-	-	(136)
Profit for the period - Discontinued operations		-	107	-	252
Total profit for the period attributable to ordinary shareholders		3,208	2,828	13.4	5,462
Basic earnings per share in cents		1.68	1.50	12.0	2.87
Diluted earnings per share in cents		1.65	1.45	13.8	2.80

* Refer to Note 5.

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Ordinary Share Capital N\$'000	Share Premium N\$'000	Retained Earnings N\$'000	Share Based Payment Reserve N\$'000	Reserve for Own Shares N\$'000	Total N\$'000
Balance as at 1 October 2008	1,890	6,054	10,415	821	(542)	18,638
Share capital repaid	-	(3,802)	-	-	-	(3,802)
Staff share options exercised	11	-	-	-	39	50
Share based payments	-	-	-	84	-	84
Net profit for the year	-	-	5,462	-	-	5,462
Dividends Paid	-	-	(8,554)	-	-	(8,554)
Balance as at 30 September 2009	1,901	2,252	7,323	905	(503)	11,878
Staff share options exercised	10	-	-	-	34	44
Share based payments	-	-	-	34	-	34
Net profit for the period	-	-	3,208	-	-	3,208
Dividends paid	-	-	(2,293)	-	-	(2,293)
Balance as at 31 March 2010	1,911	2,252	8,238	939	(469)	12,871

CONDENSED GROUP CASH FLOW STATEMENT

	Unaudited 6 months 31 March 2010 N\$'000	Unaudited 6 months 31 March 2009 N\$'000	Audited 12 months 30 September 2009 N\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	5,203	2,062	6,852
Dividends paid	(2,292)	(8,533)	(8,531)
Taxation	(242)	(1,196)	(2,412)
Finance income	468	653	1,120
Finance cost	(17)	(24)	(38)
Net cashflow from operating activities	3,120	(7,038)	(3,009)
CASH FLOWS FROM INVESTING ACTIVITIES			
Equipment acquired during the year	(46)	(35)	(83)
Investments made	(126)	49	(207)
Additional investment in unit trust	(1,000)	-	-
Net cash flows from investing activities	(1,172)	14	(290)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from staff share options exercised	44	51	50
Share capital repaid	-	-	(3,802)
Net cash flows from financing activities	44	51	(3,752)
Net movement in cash and cash equivalents	1,992	(6,973)	(7,051)
Cash and cash equivalents at beginning of the year	6,451	13,502	13,502
Cash and cash equivalents at end of the year	8,443	6,529	6,451

“The increased economic activity has contributed to rising consumer and business confidence.”

CONDENSED SEGMENT INFORMATION

	Segment revenue Unaudited 6 months 31 March 2010 N\$'000	Segment revenue Unaudited 6 months 31 March 2009 N\$'000	Segment revenue Audited 12 months 30 September 2009 N\$'000
Asset and unit trust management	14,535	11,496	23,540
	Segment result before interest and tax Unaudited 6 months 31 March 2010 N\$'000	Segment result before interest and tax Unaudited 6 months 31 March 2009 N\$'000	Segment result before interest and tax Audited 12 months 30 September 2009 N\$'000
Asset and unit trust management	4,334	3,823	9,073
Re-insurance	-	(75)	(84)
Debt-collection	-	-	94

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

Namibia Asset Management Limited (the "Company") is a company domiciled in Namibia. The condensed unaudited interim results of the Group as at and for the six months ended 31 March 2010 comprise the company and its subsidiaries (together referred to as the "Group").

2. Statement of compliance

These condensed consolidated interim results have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34, Interim Financial Reporting. They do not include all of the relevant information required for full annual financial statements. These condensed consolidated unaudited

interim results were approved by the Board of Directors on 06 May 2010.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the comparative period.

4. Bank overdraft

This balance is a cashbook balance overdraft resulting from cheques not presented for payment at 31 March 2010, 31 March 2009 and 30 September 2009 respectively.

5. Restatement

The restatement arose from the deferred tax effects on the impairment of the intangible asset which was incorrectly eliminated in the consolidation on 30 September 2008.

6. Proposed new sub management agreement

A provision has been made of the effect of the increase in management fee payable to Coronation Fund Managers as from 1 January 2010. The decrease in pre-tax earnings is N\$1.8m and the decrease in profit for the period is N\$1.2m. Shareholders, other than Coronation Fund Managers will be required to approve this increase at a separate general meeting.

7. Headline earnings per ordinary share	Unaudited - 31 March 2010 N\$'000	Unaudited - 31 March 2009 N\$'000	Restated - 30 September 2009 N\$'000	Interim YOY Change %
Without Provision				
Basic and headline earnings	4,410	2,828	5,462	
Basic and headline earnings per share	2.31	1.50	2.87	54.00%
Diluted earnings per share	2.27	1.45	2.80	56.55%
With Provision				
Basic and headline earnings	3,208	2,828	5,462	
Basic and headline earnings per share	1.68	1.50	2.87	12.00%
Diluted earnings per share	1.65	1.45	2.80	13.79%

Financial Review

We are pleased to announce that core revenue, consisting of asset management fee income, increased by 26% to N\$ 14.5 million 2009: N\$ 11.5 million). The core operating expenditure has increased by 31% to N\$ 10.2 million (2009: N\$ 7.8 million) on the back of market related expenses. Operating expenses excluding the market related expenses have decreased by 5.5%. Profit after tax increased by 13% to N\$ 3.2 million (2009: N\$2.8). Due to the above-mentioned, headline earnings per share are up by 12% to 1.68 cents (2009: 1.5 cents). Group results for the six months period ended 31 March 2010 are compared to those of the six month period ended 31 March 2009.

Asset Management

Financial market performance

The global economy continues its recovery in almost all regions as inventories are being rebuilt from extremely depleted levels. The increased economic activity has contributed to rising consumer and business confidence.

Financial markets, buoyed by the better economic news, have continued the strong recovery which started in the second half of 2009 with a further surge in the first quarter of the 2010.

Equity markets performed strongly over the last 12 months ending March 2010. As at the end of March 2010, the MSCI World Index is showing a capital gain of 49% as compared to 12 months ago. Similarly, the S&P Index is up by almost 75% from the March 2009 low. The domestic Indices delivered similar returns; the Johannesburg All Share Index returned 42% while the Namibian Overall Index returned 72% over the last 12 months ending 31 March 2010.

Interest rates are still extraordinarily low in the developed world, prompting asset managers to look for higher returns in the emerging world. Emerging currencies, including the South African Rand and Namibia Dollar, therefore also remain firm supported by these massive portfolio flows.

The South African economy is also recovering with most recent data releases surprising on the positive side. Inflation has moved back into the target range and the South African Reserve Bank saw it fit to cut the repo rate by a further 50 basis points in late March 2010. Following an expansionary budget tabled in February 2010, economic policy should be supportive of the economy in the year ahead.

Looking at the better macro economic news, some investors may think now is the time to increase exposure to growth assets. But asset prices have run ahead in anticipation of the better times and we do not think valuations are attractive enough to warrant adding more risk to our client portfolios at this stage.

We reduced our aggressive overweight equity position towards the latter part of 2009 on the back of strong market returns, and now

hold what we consider a neutral equity exposure. Despite this profit-taking, equities remain our preferred asset class for producing inflation-beating, long-term returns. We continue to believe that global equities are more attractive than local equities and given the continued strength of the rand, investors are currently afforded an excellent opportunity to diversify their portfolios. We have taken full advantage of this opportunity across client portfolios. In conclusion, markets are likely to remain volatile and challenging for some time to come. As a long term investor, this is not bad news as volatile markets often create opportunities when emotion trumps reason. We look forward to capitalising on these opportunities.

Institutional

Assets under management increased by 14.49% from N\$ 6.92 billion (March 2009) to N\$7.92 billion (March 2010). NAM's best investment house view portfolios perform strongly over the short and longer term, ending 2nd and 3rd in the Alexander Forbes Survey of Namibian Retirement Funds for one and three year periods respectively ending March 2010. NAM's Namibian only discretionary mandates made a nice turn around over the immediate to longer term, ending 1st and 3rd in the Alexander Forbes Survey of Namibian Retirement Funds for one and three year periods ending March 2010.

Retail

We are pleased to announce that the retail business has finally turned the corner due to increased focus and marketing of the NAM unit trust products. All three of our unit trust funds received strong inflows, which allow the funds to be optimally managed.

Over the 1 year period ending 31 March 2010, the NAM Coronation Balanced Defensive Fund and the NAM Coronation Absolute Fund preserved capital by generating strong positive returns during a very volatile year. The NAM Coronation Strategic Income Fund also generated a positive return in line with the money market rates in Namibia. Both the NAM Coronation Balanced Defensive Fund and the NAM Coronation Absolute Return Fund outperformed their benchmarks by a wide margin namely 8.1% and 8.23% respectively.

We have rebranded the NAM Medical Absolute Fund to the NAM Coronation Absolute Fund, upon the request of non- medical aid investors who want to invest in the fund because of its strong positive performance during market down turns. The fund is still being managed conservatively in line with the medical aid fund requirements.

Prospects

The challenges continue, and they are forging Namibia Asset Management into a stronger company, surviving through all adversities. We are pleased to announce that we retained a significant portion of one of our larger clients' assets following a tender process.

The retail assets under management have increased from N\$34.8

million to N\$272.5 million. The prospects are solid and we aim to grow the retail business even further. Our retail products are tailor-made for the Namibian market and deliver good investment performance in line with the respective mandates. 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 especially during the last 12 months. 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.

A MUSHIMBA
Chairman

AB BERTOLINI
Chief Executive

BOARD OF DIRECTORS:

A MUSHIMBA (Chairman)	A B BERTOLINI (Chief Executive)
H A NELSON*	A PILLAY*
R G YOUNG*	H MAIER
B EIMBECK	
(* South African)	

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