

NAMIBIA ASSET MANAGEMENT LTD  
Registration No. 97/397  
Registered in Namibia  
ISIN Code: NA000AOJMJ44  
NSX Share Code: NAM

**UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS PERIOD ENDED  
31 MARCH 2011**

**Financial review**

Profit after tax decreased by 27% to N\$ 2.3 million from the corresponding comparative period. Earnings per share declined by 16% to 1.41 cents (March 2010: 1.68 cents).

Revenue, consisting of asset management fee income, increased by 28.0% to N\$ 18.6 million (March 2010: N\$ 14.5 million). Excluding performance fees, our revenue increased by 11.8% from the corresponding comparative period.

Operating expenditure increased by 51.6% to N\$ 15.5 million (March 2010: N\$ 10.2 million). Excluding performance fees, operating expenditure increased by 29.5%. This increase is mainly due to the increase of Assets Under Management ("AUM") in the retail business and the corresponding increase in directly attributable costs in line with AUM.

**Assets under management**

Strong inflows, particularly into the retail business, excellent stock picking and asset allocation, combined with a positive market environment resulted in an increase in AUM to N\$9.6 billion (September 2010: N\$8.8 billion).

**Long-term performance**

Our philosophy of investing with a long time horizon continued to generate returns above benchmark ("alpha") that resulted in strong investment returns for all our clients. This consistency of performance was recognised in our technical partner, Coronation Fund Managers Ltd ("Coronation"), being named Best Large Fund House at the Morningstar South Africa Awards.

- Our global balanced portfolios ranked 1<sup>st</sup> over three years and 3<sup>rd</sup> over five years in the Alexander Forbes Namibia Best Investment Views Survey to the end of March 2011. This resulted in our global balanced portfolios

outperforming the benchmark by 1.35% and 1.40% for the last 3 and 5 years respectively.

- For individual investors seeking long-term capital growth, our flagship absolute fund, NAM Coronation Capital Plus Fund (formerly NAM Coronation Absolute Fund) continued to deliver on its dual objective of income and growth, outperforming its benchmark (NCPI + 4.5%) by 1.59% and 5.34% over 1 and 2 years respectively. Similarly, our lower risk options produced strong returns: NAM Coronation Balanced Defensive Fund returned 13.97% for the two years to March 2011 (outperforming its benchmark by 3.07%), and our flagship fixed interest fund, NAM Coronation Strategic Income Fund continues to build a good record to beat cash.

### **Institutional**

AUM increased by 15.6% from N\$ 7.7 billion at the end of March 2010 to N\$8.9 billion at the end of March 2011. NAM's best investment house view portfolios performed strongly over the short and longer term, ending 1<sup>st</sup> and 3<sup>rd</sup> in the Alexander Forbes Survey of Namibian Retirement Funds for the 3 and 5 year periods respectively ending March 2011.

### **Retail**

The retail business continues on its growth trajectory for the period under review as reported at the end of September 2010. Relative to March 2010 AUM increased by 128% to N\$621 million (March 2010: N\$272 million). This is largely attributed to a focused marketing approach of the company's retail products and good performance of such funds during the period.

Over the 1 year period ending 31 March 2011, the NAM Coronation Balanced Defensive Fund and the NAM Coronation Capital Plus Fund preserved capital by generating strong positive returns. The NAM Coronation Strategic Income Fund also generated a positive return in line with money market rates in Namibia.

### **Prospects and Strategy**

As reported in our last published results, Coronation Fund Managers continues to be our main strategic partner and major shareholder. A new five-year agreement was successfully signed in 2010.

Our philosophy of investing for the long term supports the sustainability of our business through the investment cycle. The investment environment is likely to remain challenging in the foreseeable future and we hope that we will be able to continue adding value to our clients and investors.

The retail business has grown phenomenally over the last 18 months. We still believe that there is room for further growth in this business and as such we remain positive on its prospects.

We are extremely grateful and proud of the ongoing 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.

**A MUSHIMBA**  
**CHAIRMAN**

**E EMVULA**  
**CHIEF EXECUTIVE**

**BOARD OF DIRECTORS:**

A MUSHIMBA (CHAIRMAN)  
E EMVULA (CHIEF EXECUTIVE)  
H NELSON\*  
A PILLAY\*  
R G YOUNG\*  
B EIMBECK  
H MAIER  
(\* SOUTH AFRICAN)

**COMPANY SECRETARY**

Purvance Heuer

**REGISTERED OFFICE**

24 Orban Street  
Klein Windhoek  
P.O. Box 23329, Windhoek, Namibia

**AUDITORS**

KPMG Namibia  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
P.O. Box 86863, Eros  
Windhoek  
Namibia

**SPONSOR**

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

**TRANSFER SECRETARIES**

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

NAMIBIA ASSET MANAGEMENT LTD

UNAUDITED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS  
ENDED 31 MARCH 2011

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 31 March 2011 N\$	Unaudited 31 March 2010 N\$	Interim Change %	Audited 30 September 2010 N\$
<b>Continuing operations</b>				
Revenue	18 605 722	14 535 111	28.0	28 782 215
Other income	65 432	6 165	961.3	24 499
Operating expenditure	(15 478 858)	(10 207 098)	51.6	(22 852 557)
<b>Operating profit</b>	<b>3 192 296</b>	<b>4 334 178</b>	<b>(26.3)</b>	<b>5 954 157</b>
Finance income	431 126	467 758	(7.8)	1 057 501
Finance costs	(67 890)	(16 708)	306.3	(120 621)
<b>Profit before tax</b>	<b>3 555 532</b>	<b>4 785 228</b>	<b>(25.7)</b>	<b>6 891 037</b>
Taxation	(1 212 806)	(1 576 537)	(23.1)	(1 186 368)
<b>Profit for the period attributable to ordinary shareholders</b>	<b>2 342 726</b>	<b>3 208 691</b>	<b>(27.0)</b>	<b>5 704 669</b>
There is no other comprehensive income for the year				
Earnings per share in cents	1.41	1.68	(15.9)	2.99
Diluted earnings per share in cents	1.40	1.64	(15.0)	2.92

**CONDENSED GROUP STATEMENT OF FINANCIAL POSITION**

	Unaudited 31 March 2011 N\$	Unaudited 31 March 2010 N\$	Audited 30 September 2009 N\$
<b>ASSETS</b>			
<b>Non - current assets</b>	<b>6 728 917</b>	<b>5 474 399</b>	<b>6 722 269</b>
Equipment	244 714	155 822	152 966
Intangible assets	13	10 656	14
Marketable securities	4 000 000	4 000 000	4 000 000
Deferred tax	2 484 190	1 307 921	2 569 289
<b>Current assets</b>	<b>12 219 639</b>	<b>14 927 418</b>	<b>16 243 829</b>
Trade and other receivables	5 398 192	5 483 102	7 580 096
Marketable securities	1 087 054	917 923	1 063 573
Cash and cash equivalents	5 734 393	8 526 393	7 600 160
<b>TOTAL ASSETS</b>	<b>18 948 556</b>	<b>20 401 817</b>	<b>22 966 098</b>
<b>EQUITY AND LIABILITIES</b>			
<b>TOTAL EQUITY ATTRIBUTABLE TO ORDINARY SHAREDHOLDERS</b>	<b>11 003 576</b>	<b>12 871 274</b>	<b>15 259 470</b>
Issued capital and share premium	3 909 410	4 162 660	4 162 660
Reserve for own shares(*)	(1 842 383)	(468 350)	(468 350)
Share based payment reserve	832 146	938 965	830 833
Retained earnings	8 104 403	8 237 999	10 734 327
<b>Current liabilities</b>	<b>7 944 980</b>	<b>7 530 543</b>	<b>7 706 628</b>
Shareholders for dividend	140 418	120 215	137 388
Current tax liability	22 962	1 318 020	815 494
Trade and other payables	7 781 600	6 009 088	6 753 746
Bank overdrafts	-	83 220	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18 948 556</b>	<b>20 401 817</b>	<b>22 966 098</b>

(\*) - Reserve for own shares relates to the Share Purchase Scheme and Heike 39 Investments (Pty) Ltd

**CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY**

Unaudited	Ordinary share capital N\$	Share premium N\$	Retained earnings N\$	Share based payment reserve N\$	Reserve for own shares N\$	Total N\$
<b>Balance as at 01 October 2009</b>	1 901 050	2 251 860	7 322 618	904 994	(502 475)	11 878 047
<b>Comprehensive income for the year</b>	-	-	3 208 691	-	-	3 208 691
Profit for the period	-	-	3 208 691	-	-	3 208 691
<b>Transactions with owners recorded directly to equity</b>	9 750	-	(2 292 960)	(33 971)	34 125	(2 283 056)
Staff share options exercised	9 750	-	-	-	34 125	43 875
Share based payments	-	-	-	(33 971)	-	(33 971)
Dividends paid to equity holders	-	-	(2 292 960)	-	-	(2 292 960)
<b>Balance as at 31 March 2010</b>	1 910 800	2 251 860	8 238 349	871 023	(468 350)	12 803 682
<b>Comprehensive income for the year</b>	-	-	2 495 978	-	-	2 495 978
Profit for the period	-	-	2 495 978	-	-	2 495 978
<b>Transactions with owners recorded directly to equity</b>	-	-	-	(40 190)	-	(40 190)
Share based payments	-	-	-	(40 190)	-	(40 190)
<b>Balance as at 30 September 2010</b>	1 910 800	2 251 860	10 734 327	830 833	(468 350)	15 259 470
<b>Comprehensive income for the year</b>	-	-	2 342 726	-	-	2 342 726
Profit for the	-	-	2 342	-	-	2 342

period			726			7265 704
						669
<b>Transactions with owners recorded directly to equity</b>	<b>(253 250)</b>	<b>-</b>	<b>(4 972 650)</b>	<b>1 313</b>	<b>(1 374 033)</b>	<b>(6 598 620)</b>
Business combination	(280 000)	-	-	-	(1 467 658)	(1 747 658)
Staff share options exercised	26 750	-	-	-	93 625	120 375
Share based payments	-	-	-	1 313	-	1 313
Dividends paid to equity holders	-	-	(4 972 650)	-	-	(4 972 650)
<b>Balance as at 31 March 2011</b>	<b>1 657 550</b>	<b>2 251 860</b>	<b>8 104 403</b>	<b>832 146</b>	<b>(1 842 383)</b>	<b>11 0003 576</b>

**CONDENSED GROUP STATEMENT OF CASH FLOWS**

	Unaudited 31 March 2011 N\$	Unaudited 31 March 2010 N\$	Audited 30 September 2010 N\$
<b>Cash flows from operating activities</b>			
Cash generated by operations	6 158 143	5 203 754	5 369 461
Finance cost	(67 890)	(16 708)	(120 621)
Finance income	431 126	467 758	1 057 501
Taxation	(1 920 916)	(242 122)	(1 560 146)
Dividends paid	(4 969 620)	(2 291 782)	(2 274 609)
<b>Net cash flow from operating activities</b>	<b>(369 157)</b>	<b>3 120 900</b>	<b>2 471 586</b>
<b>Cash flow from investing activities</b>			
Acquisitions of equipment to maintain operations	(153 214)	(46 230)	(94 628)
Proceeds from sale of equipment	3 316	-	-
Investments made	(23 481)	(126 349)	(271 650)
Statutory investment in unit trust fund	-	(1 000 000)	(1 000 000)
<b>Net cash flows from investing activities</b>	<b>(173 379)</b>	<b>(1 172 579)</b>	<b>(1 366 278)</b>
<b>Cash flows from financing activities</b>			
Proceeds on staff share options exercised	120 375	43 875	43 875
Redemption of preference shares	(1 420 700)	-	-
Decrease in long-term payable	(22 906)	-	-
<b>Net cash flows from financing activities</b>	<b>(1 323 231)</b>	<b>43 875</b>	<b>43 875</b>
Net movement in cash and cash equivalents	(1 865 767)	1 992 196	1 149 183
<b>Cash and cash equivalents at</b>	<b>7 600 160</b>	<b>6 450 977</b>	<b>6 450 977</b>

the beginning of the period

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Cash and cash equivalents at the end of the period	5 734 393	8 443 173	7 600 160
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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Reporting entity

Namibia Asset Management Ltd (the "Company") is a Company domiciled in Namibia. The condensed consolidated financial statements of the Group as at and for the six months ended 31 March 2011 comprises the Company and its subsidiaries (together referred to as the "Group").

### 2. Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) IAS 34, Interim Financial Reporting. They do not include all the relevant information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the Group as at and for the year ended 30 September 2010. These condensed consolidated financial statements were approved by the Board of Directors on 30 May 2011.

### 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 as at and for the year ended 30 September 2010.

### 4. Business combination

On 1 October 2010 the Group gained control of The Orban Street Trust and Heike 39 Investments (Pty) Ltd, both of which were established for the purpose of incentivising staff. Both entities were therefore consolidated from that date. The consolidation of the two entities results in a decrease in share capital and reserves of N\$1.7m and an immaterial impact on profit or loss. The Orban Street Trust owns 92.86% of the issued shares of Heike 39 Investments (Pty) Ltd, while Heike 39 Investments (Pty) Ltd owns 14% of the issued shares of the Company.

### 5. Earnings per share

	Unaudited 31 March 2011 N\$	Unaudited 31 March 2010 N\$	Audited 30 September 2010 N\$
Reconciliation of basic earnings to headline earnings			
Basic earnings	2 342 726	3 208 691	5 704 669
Profit on sale of equipment	(3 316)	-	(2 005)
<b>Headline earnings attributable to ordinary shareholders</b>	<b>2 339 410</b>	<b>3 208 691</b>	<b>5 702 664</b>
Weighted average number of ordinary shares in issue during the period	165 755 000	191 080 000	191 080 000
Diluted weighted average number of ordinary shares in issue during the period	167 620 500	195 139 000	195 139 000
Basic earnings per share in cents	1.41	1.68	2.99
Headline earnings per share in cents	1.40	1.64	2.98
Diluted earnings per share in cents	1.41	1.68	2.92