

REVIEWED FINANCIAL RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012



NAMIBIA ASSET MANAGEMENT LIMITED

Wealth through Wisdom

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AUDITORS
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SPONSOR
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Member of the NSX
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Windhoek, Namibia

TRANSFER SECRETARIES
Transfer Secretaries (Pty) Ltd
4 Robert Mugabe Avenue
PO Box 2401
Windhoek, Namibia

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 30 Sep 2012 N\$	Audited 30 Sep 2011 N\$	Change %
Revenue	41 645 220	45 474 540	(8.4)
Other income	33 523	83 686	(59.9)
Operating expenditure	(30 958 633)	(38 942 885)	(20.5)
Operating profit	10 720 110	6 615 341	62.0
Finance income	727 134	607 345	19.7
Finance costs	(358)	(67 508)	(99.5)
Profit before tax	11 446 886	7 155 178	60.0
Taxation	(3 752 696)	(2 380 883)	57.6
Profit attributable to ordinary shareholders	7 694 190	4 774 295	61.2
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	401 508	239 281	67.8
Taxation	(136 513)	(81 356)	67.8
Other comprehensive income for the year (net of income tax)	264 995	157 925	67.8
Total comprehensive income for the year	7 959 185	4 932 220	61.4
Total comprehensive income is attributable to equity holders of the Group			
EARNINGS PER SHARE (cents)			
- Basic	4.64	2.88	61.1
- Diluted	4.60	2.86	60.8

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Reviewed 30 September 2012 N\$	Audited 30 September 2011 N\$
ASSETS		
Non – current assets	5 962 622	6 773 766
Equipment	210 354	266 774
Marketable securities	4 000 000	4 000 000
Deferred tax	1 752 268	2 506 992
Current assets	20 188 806	14 730 115
Trade and other receivables	8 727 859	5 425 997
Marketable securities	2 671 014	1 194 753
Cash and cash equivalents	8 789 933	8 089 532
Current tax asset	-	19 833
TOTAL ASSETS	26 151 428	21 503 881
EQUITY AND LIABILITIES		
TOTAL EQUITY	16 057 228	13 450 693
Issued capital and share premium	4 189 410	4 189 410
Reserve for own shares	(2 122 383)	(2 122 383)
Share based payment reserve	864 769	864 769
Fair value reserve	422 920	157 925
Retained earnings	12 702 512	10 360 972
Current liabilities	10 094 200	8 053 188
Shareholders for dividend	170 062	161 546
Current tax liability	1 822 671	-
Trade and other payables	8 101 467	7 891 642
TOTAL EQUITY AND LIABILITIES	26 151 428	21 503 881

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Reviewed 30 September 2012 N\$	Audited 30 September 2011 N\$
Cash flows from operating activities		
Cash generated by operations	7 653 979	10 710 195
Finance cost	(358)	(67 508)
Finance income	727 134	607 345
Income taxes paid	(1 291 981)	(3 252 752)
Dividends paid	(4 964 134)	(4 948 492)
Distribution to trust beneficiaries paid	(380 000)	(175 000)
Net cash flow from operating activities	1 744 640	2 873 788
Cash flow from investing activities		
Acquisitions of equipment to maintain operations	(61 519)	(238 133)
Proceeds from sale of equipment	-	3 316
Movement in marketable securities	(982 720)	(62 505)
Net cash flows from investing activities	(1 044 239)	(297 322)
Cash flows from financing activities		
Proceeds on staff share options exercised	-	120 375
Redemption of preference shares	-	(1 420 700)
Movement in amounts owing by group companies	-	(22 906)
Net cash flows from financing activities	-	(1 323 231)
Net movement in cash and cash equivalents	700 401	1 253 235
Cash and cash equivalents at the beginning of the year	8 089 532	6 836 297
Cash and cash equivalents at the end of the year	8 789 933	8 089 532

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\$
Reviewed							
Balance as at 01 October 2010	1 910 800	2 251 860	10 734 327	830 833	(468 350)	-	15 259 470
Comprehensive income for the year	-	-	4 774 295	-	-	157 925	4 932 220
Profit for the year	-	-	4 774 295	-	-	-	4 774 295
Other comprehensive income for the year	-	-	-	-	-	157 925	157 925
Transactions with owners recorded directly to equity	26 750	-	(5 147 650)	33 936	(1 654 033)	-	(6 740 997)
Staff share options exercised	26 750	-	-	-	93 625	-	120 375
Acquisition of Heike 39 & Orban Street Trust	-	-	-	-	(1 747 658)	-	(1 747 658)
Share based payments	-	-	-	33 936	-	-	33 936
Distributions to Trust beneficiaries	-	-	(175 000)	-	-	-	(175 000)
Dividends paid to equity holders	-	-	(4 972 650)	-	-	-	(4 972 650)
Balance as at 30 September 2011	1 937 550	2 251 860	10 360 972	864 769	(2 122 383)	157 925	13 450 693
Comprehensive income for the year	-	-	7 694 190	-	-	-	7 694 190
Profit for the year	-	-	7 694 190	-	-	-	7 694 190
Other comprehensive income for the year	-	-	-	-	-	264 995	264 995
Transactions with owners recorded directly to equity	-	-	(5 352 650)	-	-	-	(5 352 650)
Distributions to Trust beneficiaries	-	-	(380 000)	-	-	-	(380 000)
Dividends paid to equity holders	-	-	(4 972 650)	-	-	-	(4 972 650)
Balance as at 30 September 2012	1 937 550	2 251 860	12 702 512	864 769	(2 122 383)	422 920	16 057 228

Financial Review

The Group's condensed annual financial statements for the year ended 30 September 2012 are set out in this document. Key highlights worth noting include:

- Operating profit increased by 62.0% (2011: 11.1%) and profit before tax increased by 60.0% (2011: 3.8%).
- Effective tax rate declined slightly to 32.8% (2011: 33.3%).
- Group total comprehensive income increased by 61.4% in comparison to the prior year.
- Headline earnings per share increased by 61.1% in comparison to the prior year.

Institutional Business

Assets under Management ("AUM") increased by 29.4% to N\$11.0bn (2011: N\$8.5bn). This growth came due to a combination of good flows from most of our clients and good performance across all portfolios. NAM's fully discretionary best investment house view portfolios continue to perform strongly over the longer term, ending 2nd and 3rd in the Alexander Forbes Survey of Namibian Retirement Funds over a three-year and five-year basis for the period ended August 2012 respectively. Our other segregated mandates also continue to deliver strong performance despite the volatile markets during the financial year.

Retail Business

Our unit trust funds continue to perform very well with most of them beating their respective benchmarks for the year ended 30 September 2012. AUM grew by 46.9% to N\$1.2 billion (2011: N\$817.1m) on the back of good flows and performance.

Financial Market Performance

The global economy and financial system remain unbalanced and are being distorted by unprecedented monetary and fiscal stimulus. The precarious state of the global economy has a bearing on market sentiment.

Following the panic that consumed markets in the third quarter of 2011, equity markets recovered in the final quarter. We remain of the view that global equities are far more attractively valued than domestic equities. This view was vindicated at the end of September 2012 with the MSCI World Index (in rand terms), outperforming the JSE All Share Index by 1.9% for the year (i.e. 16.7% for the MSCI World Index versus 14.8% for the JSE All Share Index).

Resource stocks have underperformed financials and industrials year-to-date ("YTD") by 29.6% and 29.5% respectively. Having remained underweight in resources for most of last year, we moved slightly overweight in our equity and balanced funds during the financial year. Although most commodity prices remain high, we believe that resources offer value, with selected resource shares trading at less than 10 times our assessment of normal earnings. We are mindful that further risk to global economic growth and commodity prices remains to be China.

The great imponderable impacting commodity prices and therefore the valuations of resource shares remains demand from China. China has been the single largest consumer of commodities, responsible for, on average, approximately 40% of global demand for most commodities (and even higher in the case of iron ore where China constitutes 60% of global demand). The Chinese economy is extremely unbalanced having been driven by significant investment in infrastructure and very little domestic consumption. The country is also in the process of attempting to cool an overheated property market. Any Chinese hard landing will have dire ramifications for commodity prices and consequently, the pricing of resource shares. It is for this reason that we remain only marginally overweight. Our preferred resource holdings are Sasol and the diversified miners. We remain underweight on gold shares as we believe they are overvalued based on our assessment of normal earnings. We are also concerned over declining grades and enormous cost pressures faced by these businesses (labour, electricity and water). The unfortunate incidents at Marikana and subsequent widespread strikes across the mining industry highlighted the cost pressures that mining companies face.

Austerity in the world's major economies virtually guarantees a low growth environment. To support growth, monetary and fiscal policy is likely to remain highly accommodative. In the longer term we remain concerned that near zero interest rates and ultra loose monetary policy will manifest itself in higher inflation. In a low growth, high inflation environment,

equities remain our preferred asset class for producing inflation-beating returns. We continue to hold what we consider to be slightly underweight equity exposure. Despite the significant uncertainty in global markets, the All Share Index is close to an all time high. This coupled with our view that domestic equities are fairly valued, does not justify higher exposure. Global equities on the other hand, are discounting a global downturn. This coupled with attractive valuations justifies a holding close to the 35% offshore in our global balanced funds.

Increased risk aversion saw the Rand (and the Namibia Dollar which is pegged to the Rand), like most emerging market currencies, depreciate relative to the US dollar over the year. YTD the Rand has depreciated by 2.7% against the US dollar. Coupled with high crude oil and global food prices this has resulted in high inflation numbers with NCPI recorded at 6.7% at the end of September 2012.

Regulatory Environment

The final draft of the Financial Institutions and Markets Bill as well as Regulation 28 and 29 of the Pension Fund's Act were presented to the industry during the year under review. We welcome these developments as they bring along certainty and predictability. We are particularly pleased with a proposed limit increase in investments in equities back to 75% as this will enable pension funds to achieve inflation beating returns over time.

We are however concerned with a proposed reduction in investments in dual-listed companies to no more than 10% over time as this is likely to result in reduced returns for Namibian pension funds due to limited investment options in our market, which could lead to more funds being invested in cash. While cash returns have been good over the past few years our view is that cash is likely to generate negative real returns going forward.

We plan to continue to engage the Regulator to ensure that an appropriate solution is found in this regard.

Board composition

Herbert Maier resigned as director with effect from 29 February 2012. The Board of directors would like to thank him for his contribution to the success of NAM and wish him well in all his future endeavours.

Schalk Walters and Elize Angula have been appointed to the Board of directors with effect from 1 March 2012. We welcome them and look forward to their valued contribution to the group.

Dividend

After year-end the Board recommended a normal dividend of 4 cents per ordinary share (2011: 3 cents per ordinary share).

The salient dates are as follows:

Last day to trade:	16 November 2012
Securities start trading:	
ex – dividend:	19 November 2012
Record date:	23 November 2012
Payment date:	30 November 2012

Conclusion

In conclusion the disconnection between economic reality and financial markets is likely to persist, driven by the current global zero interest rate policy. Volatility will also persist as markets react to the news of the day.

A MUSHIMBA
CHAIRMAN

9 November 2012

E EMVULA
CHIEF EXECUTIVE OFFICER

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

Namibia Asset Management Ltd (the "Company") is a Company incorporated in Namibia (Registration number:97/397). The condensed Group financial statements for the year ended 30 September 2012 comprise the Company, its subsidiary and other controlled entities, together referred to as the "Group"

2. Statement of compliance

The condensed Group financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34: Interim Financial Reporting and in the manner required by the Companies Act 28 of 2004.

The condensed Group financial statements were approved by the Board of Directors on 25 October 2012.

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 2011.

4. Earnings per share

	Reviewed 30 Sep 2012 N\$	Audited 30 Sep 2011 N\$	Change %
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EARNINGS			
Earnings per share is based on basic earnings of:	7 694 190	4 774 295	61.2
Headline earnings per share is based on headline earnings of:	7 694 190	4 770 979	61.3
Reconciliation of earnings to headline earnings			
Profit attributable to ordinary shareholders	7 694 190	4 774 295	61.2
Profit on sale of equipment	-	(3 316)	(100.0)
Headline earnings	7 694 190	4 770 979	61.3

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

Ordinary shares in issue	165 755 000	165 755 000
Diluted ordinary shares in issue*	167 427 794	166 993 000
Reconciliation of statutory shares in issue to diluted ordinary shares in issue		
Statutory issued shares	200 000 000	200 000 000
Effect of own shares held (Namibia Asset Management Executive Share Purchase Scheme)	(6 245 000)	(6 245 000)
Effect of own shares held (Heike 39 Investments (Pty) Ltd)	(28 000 000)	(28 000 000)
Effect of share options exercised	1 672 794	1 238 000
Diluted ordinary shares in issue	167 427 794	166 993 000

Basic earnings per share in cents	4.64	2.88	61.1
Headline earnings per share in cents	4.64	2.88	60.8
Diluted earnings per share in cents	4.60	2.86	61.0

*Dilution of ordinary shares takes place if all staff exercise their options.