



NICO HOLDINGS LIMITED

(Registration number 1377)

CONSOLIDATED AND SEPARATE SUMMARY RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2009

STATEMENTS OF COMPREHENSIVE INCOME

	GROUP			COMPANY		
	6 Months 30-Jun-09	6 Months 30-Jun-08	12 Months 31-Dec-08	6 Months 30-Jun-09	6 Months 30-Jun-08	12 Months 31-Dec-08
	Unaudited MK'million	Unaudited MK'million	Audited MK'million	Unaudited MK'million	Unaudited MK'million	Audited MK'million
Gross revenue	8,716	6,831	13,666	464	594	1,065
Operating income	6,798	5,307	11,923	464	594	1,065
Operating Expenses	(2,428)	(1,683)	(3,674)	-	-	-
Management Expenses	(2,354)	(1,875)	(3,918)	(213)	(227)	(403)
Profit before future policy holders benefits	2,016	1,749	4,331	251	367	662
Future policy holders benefits	(1,166)	(734)	(1,664)	-	-	-
Profit before income tax	850	1,015	2,667	251	367	662
Income tax expense	(329)	(258)	(612)	(14)	(13)	(55)
Profit for the year	521	757	2,055	237	354	607
Other Comprehensive Income						
Foreign currency translation differences on foreign subsidiaries	-	-	(36)	-	-	-
Revaluation of property, plant and equipment	-	-	470	-	-	-
Net change in fair value of available for sale financial assets	-	-	(28)	-	-	-
Income tax on other comprehensive income	-	-	(83)	-	-	-
Other Comprehensive Income for the period, net of income tax	-	-	323	-	-	-
Total comprehensive income for the period	521	757	2,378	237	354	607
Attributable to non-controlling interest	114	136	276	-	-	-
Attributable to shareholders of the parent company	407	621	2,102	237	354	607
	521	757	2,378	237	354	607
Dividend Paid	(209)	(160)	(285)	(209)	(160)	(285)
Earnings per share (Tambala)	50	60	202	23	34	58
Dividend paid per share (Tambala)	20	15	27	20	15	27
Number of shares in issue ('000)	1,043,041	1,043,041	1,043,041	1,043,041	1,043,041	1,043,041
STATEMENTS OF FINANCIAL POSITION	MK'million	MK'million	MK'million	MK'million	MK'million	MK'million
ASSETS	47,776	40,199	44,210	1,727	1,637	1,743
Property, plant and equipment	2,551	2,597	2,484	37	29	40
Investment properties	3,568	1,492	2,026	176	176	176
Inventories	30	81	42	-	-	-
Other investments and loans receivable	28,209	22,940	27,389	1,366	1,257	1,390
Trade and other receivables	6,917	8,434	5,831	41	76	42
Deferred Tax Assets	57	-	57	-	30	-
Cash and cash equivalents	6,444	4,655	6,379	107	69	95
LIABILITIES	42,092	35,632	38,745	471	585	515
Life assurance and pension fund	15,207	12,985	15,087	-	-	-
General insurance funds	4,501	2,379	1,835	-	-	-
Bank overdrafts	60	-	203	-	-	-
Interest-bearing loans and borrowings	1,184	1,168	1,003	290	380	328
Trade and other payables	3,516	6,978	5,051	167	205	173
Deferred tax liabilities	171	55	211	14	-	14
Deposits and customer accounts	17,453	12,067	15,355	-	-	-
NET ASSETS	5,684	4,567	5,465	1,256	1,052	1,228
FINANCED BY						
EQUITY	5,684	4,567	5,465	1,256	1,052	1,228
Issued share capital	52	52	52	52	52	52
Reserves	4,762	3,804	4,650	1,204	1,000	1,176
Non-controlling interest	870	711	763	-	-	-
TOTAL EQUITY AND LIABILITIES	47,776	40,199	44,210	1,727	1,637	1,743
STATEMENTS OF CASH FLOWS	MK'million	MK'million	MK'million	MK'million	MK'million	MK'million
Operating activities						
Cash receipts from customers	6,948	4,542	11,627	143	161	372
Cash payments to clients, employees and suppliers	(5,421)	(4,326)	(8,437)	(160)	(186)	(301)
Income taxes paid	(107)	(106)	(189)	16	(16)	(25)
Cash flows from operating activities	1,420	110	3,001	(1)	(41)	46
Cash flows from investing activities	(980)	(149)	(1,483)	277	224	321
Cash flows from financing activities	(232)	(144)	(180)	(264)	(178)	(336)
Net increase in cash and cash equivalents	208	(183)	1,338	12	5	31
Cash and cash equivalents at 1 January	6,176	4,838	4,838	95	64	64
Cash and cash equivalents at 30 June/31 December	6,384	4,655	6,176	107	69	95
ADDITIONAL STATUTORY INFORMATION						
Increase in net working capital	2,558	2,036	1,656	64	136	75

OVERVIEW

The half year performance of the Group to June 30, 2009 was very satisfactory. The Group's core business performed strongly with Gross revenues growing by 28% from MK6.83billion to MK8.72billion. Profit before transfer of policyholders future benefits increased by 15% from MK1.75billion to MK2.02billion. Profit before tax expense declined by 16% from MK1.02billion to MK850million. This decline was driven by MK1.1billion losses experienced on our listed equity investments thereby negatively affecting our short-term returns.

GENERAL INSURANCE

General Insurance business registered a gross revenue growth over same period last year of 20%.

The contributing factors to the good performance for this line of business include good loss ratios in our Zambia and Tanzania operations. Despite the aggressive competition in all markets we are operating, we registered an underwriting profit for the half year.

Challenges in terms of dealing with high claims especially in Malawi, debtors' management, and competition, among others, are receiving top priority.

LIFE INSURANCE

Life insurance and pensions business continues to register excellent performance with premiums growth of 38%. This is attributable to continued good customer service and targeted aggressive marketing.

Profit before transfer to future policyholders' benefits grew by 21% despite the share revaluation losses experienced in the period under review.

BANKING

The business of the Bank continues to grow from strength to strength both in terms of deposits and advances resulting in growth of our market share. We registered a 9% growth in deposits and 18% in loans and advances.

The Bank made a profit before tax of 26% above prior year. This continued growth in profitability has been largely due to improved performance on all business lines of the bank against a backdrop of stiff competition for deposits.

INVESTMENTS

A new company (NICO Asset Managers) has been incorporated to manage the investment portfolio of the Group. This should enable the group to maximise benefits derived from its investment portfolio.

PROSPECTS

Despite the economic challenges in all our markets arising from world economic meltdown we are looking forward to an improved result for the remaining half of the year.

DIVIDEND

As a strategy for managing cash flow in the light of uncertainty of the values of our listed investment holdings, coupled with some new investment initiatives we are pursuing, Directors have decided not to pay an interim dividend for the half year to 30th June 2009.

G.A.Jaffu
CHAIRMAN

F.L. Mlusu
MANAGING DIRECTOR

August 27, 2009
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