



# NICO HOLDINGS LIMITED

(Registration number 1377)  
("Nico" or "the Company")

## CONSOLIDATED RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2007

CONSOLIDATED INCOME STATEMENT	6 Months	6 Months	12 Months
	ended 6/30/2007 (Unaudited) MK'000	ended 6/30/2006 (Unaudited) MK'000	ended 31/12/2006 (Audited) MK'000
<b>Gross revenue</b>	<b>5,303,250</b>	<b>4,083,684</b>	<b>9,154,970</b>
<b>Operating Income</b>	<b>4,161,734</b>	<b>3,429,278</b>	<b>7,229,485</b>
Operating Expenses	(1,477,439)	(1,292,962)	(2,622,204)
Management Expenses	(1,461,423)	(1,111,419)	(2,311,401)
<b>Profit before future policy holders benefits</b>	<b>1,222,872</b>	<b>1,024,897</b>	<b>2,295,880</b>
Future policy holders benefits	(702,873)	(601,237)	(1,203,363)
<b>Profit before income tax</b>	<b>519,999</b>	<b>423,660</b>	<b>1,092,517</b>
Income tax expense	(101,913)	(112,824)	(273,002)
<b>Profit after income tax expense</b>	<b>418,086</b>	<b>310,836</b>	<b>819,515</b>
Attributable to Minority interest	46,208	13,507	52,866
Attributable to shareholders of the parent	371,878	297,329	766,649
	<b>418,086</b>	<b>310,836</b>	<b>819,515</b>
Dividend Paid	(100,000)	-	(150,000)
Basic and Diluted Earnings per share (Tambala)	40.08	29.80	78.57
Dividend paid per share (Tambala)	9.59	-	14.38
Number of shares in issue ('000)	1,043,041	1,043,041	1,043,041
<b>CONSOLIDATED BALANCE SHEET</b>	<b>MK'000</b>	<b>MK'000</b>	<b>MK'000</b>
<b>ASSETS EMPLOYED</b>	<b>30,321,280</b>	<b>21,304,644</b>	<b>23,240,212</b>
Property Plant and equipment	2,074,206	1,864,384	1,774,587
Investment properties	13,040,544	1,011,998	1,109,544
Inventories	57,793	-	55,695
Other investments and loans receivable	6,860,830	13,859,128	14,403,712
Trade and other receivables	5,506,969	3,221,832	3,140,723
Cash and cash equivalents	2,780,938	1,347,302	2,755,951
	<b>(27,164,699)</b>	<b>(18,988,914)</b>	<b>(20,581,574)</b>
Life assurance and pension fund	(10,244,577)	(7,414,772)	(8,110,812)
General insurance funds	(4,568,917)	(969,386)	(1,250,044)
Bank overdrafts	(16,712)	(161,075)	(109,742)
Interest-bearing loans and borrowings	(97,564)	(499,888)	(128,608)
Trade and other payables	(1,856,427)	(2,281,059)	(2,510,691)
Deferred tax liabilities	(16,344)	(179,115)	(247,791)
Deposits and customer accounts	(10,364,157)	(7,483,619)	(8,223,886)
<b>NET ASSETS</b>	<b>3,156,580</b>	<b>2,315,730</b>	<b>2,658,638</b>
<b>FINANCED BY</b>			
<b>Shareholders funds</b>	<b>3,156,580</b>	<b>2,315,730</b>	<b>2,658,637</b>
Issued share capital	52,152	52,152	52,152
Reserves	2,619,824	2,044,635	2,334,209
Minority interest	484,605	218,943	272,276
<b>TOTAL FUNDS</b>	<b>3,156,580</b>	<b>2,315,730</b>	<b>2,658,637</b>
<b>Total equity, minority interest and liabilities</b>	<b>30,321,280</b>	<b>21,304,644</b>	<b>23,240,212</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>MK'000</b>	<b>MK'000</b>	<b>MK'000</b>
<b>Operating activities</b>			
Cash receipts from customers	5,395,303	3,457,714	5,485,089
Cash payments to clients, employees and suppliers	(2,854,399)	(2,889,075)	(3,593,332)
Income taxes paid	(44,308)	(54,770)	(87,686)
Cash flows from operating activities	2,496,596	513,869	1,804,071
Cash flows from investing activities	(2,306,510)	(880,481)	(406,237)
Cash flows from financing activities	(72,069)	8,110	(296,354)
Net increase in cash and cash equivalents	118,017	(358,502)	1,101,480
Cash and cash equivalents at 1 January	2,646,209	1,544,729	1,544,729
<b>Cash and cash equivalents at end of period</b>	<b>2,764,226</b>	<b>1,186,227</b>	<b>2,646,209</b>
<b>ADDITIONAL STATUTORY INFORMATION</b>			
Increase/(Decrease) in net working capital	(1,105,741)	70,977	1,404,448

### OVERVIEW

Group performance for the half year ended 30 June, 2007 has achieved a growth in revenues of 30% on same period last year. Profit before tax and future policyholders benefits has grown by 19%.

This result has been achieved because of our focused strategy implementation. Our biggest challenge which is receiving Management's attention in all the markets that we operate is Credit control. We are committed to bring this to acceptable levels.

### GENERAL INSURANCE

General Insurance premium income business has grown by 31% on corresponding period. The general insurance performance in all the markets has been negatively impacted by freak motor claims in the months of March and April. However, the trend has now changed and we are seeing improvement in the performance of this class of business.

### CELTEL MALAWI FIRE CLAIM

As we are all aware, Celtel Malawi suffered a loss by fire on 3rd March 2007. This loss is covered by an insurance policy arranged with NICO General Insurance Company Limited. A claim made by Celtel on the policy is being finalized. This is the largest single insurance claim in Malawi's insurance history. To date, an interim payment of K200,410,000 has been made.

We would like to assure all NICO clients and the general public that the payment of the full claim will not in anyway impact on the Company's financial position. Adequate protection, like with all the risks we assume, was arranged for this risk. The payment of the claim for this loss is a clear demonstration of NICO's financial strength.

### LIFE INSURANCE AND PENSIONS

Life Insurance and Pensions business continue to perform very strongly and achieve impressive results. Revenues grew by 27% on corresponding period last year, resulting in a profit growth before tax and future policyholders benefits of 41%.

This performance is a result of targeted marketing, innovative products and customer friendly service.

### BANKING

NBS Bank continues to be the preferred peoples' bank in terms of deposits and advances, growing at 37% and 30% respectively, over the corresponding period last year. This performance has resulted in a profit growth before tax of 33%. With the growing deposit base, the Bank welcomes the new monetary measures taken by the Reserve Bank in the area of interest rates and NBS Bank sees great opportunities for business growth as a result.

The Bank continues to improve its infrastructure; to introduce new and innovative products and, to improve customer care services.

Building on this improving performance, the Bank will take advantage of its recent successful listing on the Malawi Stock Exchange. The overwhelming response to the listing was a clear testimony of the confidence in the potential and prospects of the Bank.

### REGIONAL GROWTH STRATEGY

The Group's Regional Growth Strategy continues to be on track and developments on new market entries will be released as they unfold.

### PROSPECTS

Prospects in the markets in which we operate continue to look good as a result of continuing improved performance of the underlying economies. With NICO's Brand being a household name in these markets, the Group is poised for further growth.

Despite all the challenges faced in the first half of the year, we remain confident of achieving a good result this year.

### DIVIDEND

The Directors are recommending an interim dividend of K90 million or 8.6 tambala per share, (2006 : K75 million or 7 tambala per share). The dividend will be paid on 16th October, 2007 to all shareholders on the register at close of business on 12th October 2007.

On behalf of the Board of Directors of NICO Holdings Limited

G A Jaffu  
CHAIRMAN

F L Mlusu  
MANAGING DIRECTOR.

September 6, 2007  
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