

NITL

THE NATIONAL INVESTMENT TRUST PLC

(Incorporated in Malawi on 20th September 2001 under registration number 6024)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

Statement of comprehensive income

| | Unaudited 6 Months Ended 30 Jun 2018 | Unaudited 6 Months Ended 30 Jun 2017 | Audited 12 Months Ended 31 Dec 2017 |
|---|---|---|--|
| | MK'000 | MK'000 | MK'000 |
| Income | | | |
| Dividends | 106,918 | 184,187 | 288,878 |
| Interest income | 9,103 | 18,861 | 37,848 |
| Total Income | <u>116,021</u> | <u>203,048</u> | <u>326,726</u> |
| Total expenses | <u>(97,342)</u> | <u>(59,085)</u> | <u>(119,033)</u> |
| Operating profit before tax | 18,679 | 143,963 | 207,693 |
| Fair Value gain on equity Investments | <u>1,419,472</u> | <u>880,549</u> | <u>2,132,568</u> |
| Profit before tax | 1,438,151 | 1,024,512 | 2,340,261 |
| Income tax expense | (9,294) | (15,664) | (118,911) |
| Net profit for the year | <u>1,428,857</u> | <u>1,008,848</u> | <u>2,221,350</u> |
| Total comprehensive income attributable to equity holders of the company | <u>1,428,857</u> | <u>1,008,848</u> | <u>2,221,350</u> |
| Number of shares in issue (Thousand) | 135,000 | 135,000 | 135,000 |
| Basic and diluted earnings per share (Tambala) | 1,058 | 747 | 1,645 |

Statement of cash flows

| | Unaudited 6 Months Ended 30 June 2018 | Unaudited 6 Months Ended 30 June 2017 | Audited 12 Months Ended 31 Dec 2017 |
|---|---|---|---|
| | MK'000 | MK'000 | MK'000 |
| Operating activities | | | |
| Dividends received | 88,535 | 119,886 | 284,977 |
| Interest received | 10,782 | 19,154 | 37,725 |
| | 99,317 | 139,040 | 322,702 |
| Operating expenditure | (115,191) | (37,925) | (97,177) |
| | (15,874) | 101,115 | 225,525 |
| Taxes paid | (11,642) | (14,328) | (34,322) |
| Cash flows (used in)/ from operating activities | <u>(27,516)</u> | <u>86,787</u> | <u>191,203</u> |
| Investing activities | | | |
| Purchase of shares | (1,213,285) | (64,056) | (261,881) |
| Disposal of Shares | 1,259,458 | 57,000 | 219,682 |
| Cash flows from/ (used in) investing activities | <u>46,173</u> | <u>(7,056)</u> | <u>(42,199)</u> |
| Financing activities | | | |
| Dividends paid | (108,000) | (94,500) | (162,000) |
| Cash flows used in financing activities | <u>(108,000)</u> | <u>(94,500)</u> | <u>(162,000)</u> |
| Net decrease in cash and cash equivalents | (89,343) | (14,769) | (12,996) |
| Cash and cash equivalents at beginning of year | 244,230 | 257,226 | 257,226 |
| Cash and cash equivalents at end of period | <u>154,887</u> | <u>242,457</u> | <u>244,230</u> |

Statement of financial position

| | Unaudited 6 Months Ended 30 Jun 2018 | Unaudited 6 Months Ended 30 Jun 2017 | Audited 12 Months Ended 31 Dec 2017 |
|--|---|---|--|
| | MK'000 | MK'000 | MK'000 |
| Assets | | | |
| Investments at fair value through profit or loss | 9,825,141 | 7,164,679 | 8,451,841 |
| Deferred tax | 0 | 48,462 | - |
| Other current assets | 33,392 | 75,809 | 7,063 |
| Cash and cash equivalents | 154,887 | 242,457 | 244,230 |
| Total assets | <u>10,013,420</u> | <u>7,531,407</u> | <u>8,703,134</u> |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 2,700 | 2,700 | 2,700 |
| Share premium | 169,550 | 169,550 | 169,550 |
| Retained earnings | 9,734,866 | 7,269,007 | 8,414,009 |
| Total equity | <u>9,907,116</u> | <u>7,441,257</u> | <u>8,586,259</u> |
| Liabilities | | | |
| Deferred tax liability | 35,630 | - | 35,630 |
| Income tax | 365 | 3,554 | 2,713 |
| Current liabilities | 70,309 | 86,596 | 78,532 |
| Total liabilities | <u>106,304</u> | <u>90,150</u> | <u>116,875</u> |
| Total equity and liabilities | <u>10,013,420</u> | <u>7,531,407</u> | <u>8,703,134</u> |

Statement of changes in equity

| | Share Capital MK'000 | Share Premium MK'000 | Retained Earnings MK'000 | Total MK'000 |
|------------------------------|----------------------------|----------------------------|--------------------------------|------------------|
| Balance as at 1 January 2017 | 2,700 | 169,550 | 6,354,659 | 6,526,909 |
| Dividends paid | - | - | (162,000) | (162,000) |
| Total comprehensive loss | - | - | 2,221,350 | 2,221,350 |
| 31 December 2017 | <u>2,700</u> | <u>169,550</u> | <u>8,414,009</u> | <u>8,586,259</u> |
| Balance as at 1 January 2018 | 2,700 | 169,550 | 8,414,009 | 8,586,259 |
| Dividends paid | - | - | (108,000) | (108,000) |
| Total comprehensive income | - | - | 1,428,857 | 1,428,857 |
| 30 June 2018 | <u>2,700</u> | <u>169,550</u> | <u>9,734,866</u> | <u>9,907,116</u> |

Overview of results

The Company made a profit after tax of K1.4 billion (2017: K1.0 billion) largely due to share price gains of most investee companies. During the period the Company's equity portfolio grew by 16.2% (2017: 14.1%). Dividend income was K106 million (2017: K184 million). The company had revaluation gains on its equity investments amounting to K1.4 billion (2017: K880.5 million). Operating expenses increased by 65% largely due to brokerage fees paid on share trading activities as a result of increased trading during the period.

Dividends

In line with the company's dividend distribution policy that the net after tax income, other than income from investment switches and unrealized net gains on the investment portfolio be distributed to shareholders, the Directors approved an interim dividend of 50 tambala per share (2017 interim: 50 tambala per share) payable on 26 October 2018 to shareholders appearing in the register at the close of business on 19 October 2018. The register of members will be closed from 19 October 2018 to 26 October 2018.

By order of the Board.

E. Gondwe
Director

G.M. Msisha
Director