



MPICO PLC REG. NO 1495

SUMMARY OF UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

	CONSOLIDATED UNAUDITED 30/Jun/17 K,000	CONSOLIDATED UNAUDITED 30/Jun/16 K,000	CONSOLIDATED AUDITED 31/Dec/16 K,000	SEPARATE UNAUDITED 30/Jun/17 K,000	SEPARATE UNAUDITED 30/Jun/16 K,000	SEPARATE AUDITED 31/Dec/16 K,000
<b>STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>						
Rental income	2,382,268	1,703,590	3,782,253	760,924	653,712	1,406,828
Increase in fair value of investment properties	2,461,348	2,354,514	5,087,099	437,623	987,349	1,759,583
Other income	1,595,067	313,060	2,667,580	1,010,086	581,105	1,174,039
<b>Total income</b>	<b>6,438,683</b>	<b>4,371,164</b>	<b>11,536,932</b>	<b>2,208,633</b>	<b>2,222,166</b>	<b>4,340,450</b>
Expenditure	(2,891,978)	(3,572,952)	(8,461,680)	(987,139)	(1,347,118)	(2,808,148)
<b>Total expenditure</b>	<b>(2,891,978)</b>	<b>(3,572,952)</b>	<b>(8,461,680)</b>	<b>(987,139)</b>	<b>(1,347,118)</b>	<b>(2,808,148)</b>
Profit before income tax	3,546,705	798,212	3,075,252	1,221,494	875,048	1,532,302
Income tax expense	(786,306)	(108,797)	(1,086,613)	(351,591)	(222,255)	(372,092)
<b>Profit after taxation for the period</b>	<b>2,760,399</b>	<b>689,415</b>	<b>1,988,639</b>	<b>869,903</b>	<b>652,793</b>	<b>1,160,210</b>
APPROPRIATION OF PROFIT FOR THE PERIOD						
Distributable reserves	524,300	(616,071)	(884,675)	563,567	(38,351)	(71,498)
Non-distributable reserves	1,722,944	1,385,601	2,842,832	306,336	691,144	1,231,708
Amount attributable to members of the parent company	2,247,244	769,530	1,958,157	869,903	652,793	1,160,210
Amount attributable to minority interests	513,155	(80,110)	30,482	-	-	-
	<b>2,760,399</b>	<b>689,420</b>	<b>1,988,639</b>	<b>869,903</b>	<b>652,793</b>	<b>1,160,210</b>
<b>Earnings per share (tambala)</b>	<b>97.8</b>	<b>67.0</b>	<b>146.1</b>			
Analysed as:						
-Distributable (tambala)	22.8	(53.6)	(66.0)			
-Non-distributable (tambala)	75.0	120.6	212.1			
Number of shares used for calculation	2,298,047,460	1,149,023,730	1,340,527,000			
<b>STATEMENTS OF FINANCIAL POSITION</b>						
<b>EQUITY AND LIABILITIES</b>						
<b>SHAREHOLDERS' EQUITY</b>						
Ordinary share capital	114,902	57,451	114,902	114,902	57,451	114,902
Distributable reserves	676,092	455,734	187,130	2,912,027	2,381,601	2,348,460
Non-distributable reserves	25,177,024	16,112,334	26,196,502	17,293,179	7,819,347	16,986,843
<b>EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY</b>	<b>25,968,018</b>	<b>16,625,519</b>	<b>26,498,534</b>	<b>20,320,108</b>	<b>10,258,399</b>	<b>19,450,205</b>
Non controlling interests	18,896,049	1,354,164	1,460,181	-	-	-
<b>TOTAL EQUITY</b>	<b>44,864,067</b>	<b>17,979,683</b>	<b>27,958,715</b>	<b>20,320,108</b>	<b>10,258,399</b>	<b>19,450,205</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
	8,864,976	22,414,412	21,394,757	3,297,825	7,281,223	2,945,967
	8,864,976	22,414,412	21,394,757	3,297,825	7,281,223	2,945,967
<b>Current liabilities</b>						
<b>Liabilities</b>						
Bank overdraft	3,329,938	3,436,763	6,347,553	529,723	614,622	937,824
	437,998	565,042	160,668	437,576	565,042	140,720
	3,767,936	4,001,805	6,508,221	967,299	1,179,664	1,078,544
<b>TOTAL LIABILITIES</b>	<b>12,632,912</b>	<b>26,416,217</b>	<b>27,902,978</b>	<b>4,265,124</b>	<b>8,460,887</b>	<b>4,024,511</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57,496,979</b>	<b>44,395,900</b>	<b>55,861,693</b>	<b>24,585,232</b>	<b>18,719,286</b>	<b>23,474,716</b>
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Investment properties	46,025,279	40,183,895	43,510,442	12,168,444	10,953,976	11,726,210
Other assets	742,108	790,309	2,978,371	10,398,081	6,370,449	8,137,650
<b>Total non current assets</b>	<b>46,767,387</b>	<b>40,974,204</b>	<b>46,488,813</b>	<b>22,566,525</b>	<b>17,324,425</b>	<b>19,863,860</b>
<b>CURRENT ASSETS</b>						
Receivables	10,495,106	3,360,674	8,518,558	1,929,283	1,382,278	2,806,450
Funds at call and on deposit	1,707	1,788	726,625	323	444	725,240
Cash and bank balances	232,779	59,234	127,697	89,101	12,139	79,166
<b>Total current assets</b>	<b>10,729,592</b>	<b>3,421,696</b>	<b>9,372,880</b>	<b>2,018,707</b>	<b>1,394,861</b>	<b>3,610,856</b>
<b>TOTAL ASSETS</b>	<b>57,496,979</b>	<b>44,395,900</b>	<b>55,861,693</b>	<b>24,585,232</b>	<b>18,719,286</b>	<b>23,474,716</b>
<b>STATEMENTS OF CHANGES IN EQUITY</b>						
<b>At the beginning of the year</b>						
Distributable profit for the year	1,037,455	(696,181)	(1,572,856)	563,567	(38,351)	(71,498)
Issue of new shares	-	-	57,451	-	-	57,451
Non-distributable profit for the year	1,722,944	1,385,601	3,561,494	306,336	691,144	1,231,708
Share Premium	14,144,953	-	8,626,938	-	-	8,626,938
Dividend declared - Interim 2016	-	-	(4,575)	-	-	-
<b>At the end of the year</b>	<b>44,864,067</b>	<b>17,979,683</b>	<b>27,958,715</b>	<b>20,320,108</b>	<b>10,258,399</b>	<b>19,450,205</b>

STATEMENTS OF CASH FLOWS

Cash flows from operating activities

Return on investment and servicing of finance

	CONSOLIDATED UNAUDITED 30/Jun/17 K,000	CONSOLIDATED UNAUDITED 30/Jun/16 K,000	CONSOLIDATED AUDITED 31/Dec/16 K,000	SEPARATE UNAUDITED 30/Jun/17 K,000	SEPARATE UNAUDITED 30/Jun/16 K,000	SEPARATE AUDITED 31/Dec/16 K,000
Dividend received	-	-	-	10,425	-	-
Interest received	1,212,138	283,704	2,579,588	512,911	191,346	521,349
Interest paid	(998,244)	(1,680,663)	(4,094,965)	(109,128)	(687,106)	(1,646,134)
Dividend paid	-	-	-	-	-	-
Dividend paid outside shareholders, including tax	-	-	(4,575)	-	-	-
<b>Net cash flows from returns on investment and servicing of finance</b>	<b>213,894</b>	<b>(1,396,959)</b>	<b>(1,519,952)</b>	<b>414,208</b>	<b>(495,760)</b>	<b>(1,124,785)</b>

Net cash flows from returns on investment and servicing of finance

Income tax paid

Net cash flows (used in)/generated from operating activities

	CONSOLIDATED UNAUDITED 30/Jun/17 K,000	CONSOLIDATED UNAUDITED 30/Jun/16 K,000	CONSOLIDATED AUDITED 31/Dec/16 K,000	SEPARATE UNAUDITED 30/Jun/17 K,000	SEPARATE UNAUDITED 30/Jun/16 K,000	SEPARATE AUDITED 31/Dec/16 K,000
Change in capital work in progress	-	(200,553)	(841,987)	-	(235)	-
Purchase of property, plant and equipment and additions to investment properties	(74,178)	(37,991)	-	(19,772)	(37,768)	(47,378)
Proceeds on disposal of non-current assets	-	387	387	-	387	386
Staff long-term loan movements	2,284	2,070	5,978	2,284	2,070	5,978
<b>Net cash used in investing activities</b>	<b>(71,894)</b>	<b>(236,087)</b>	<b>(835,622)</b>	<b>(17,488)</b>	<b>(35,546)</b>	<b>(41,014)</b>

Net cash used in investing activities

Net cash flow before financing activities

	CONSOLIDATED UNAUDITED 30/Jun/17 K,000	CONSOLIDATED UNAUDITED 30/Jun/16 K,000	CONSOLIDATED AUDITED 31/Dec/16 K,000	SEPARATE UNAUDITED 30/Jun/17 K,000	SEPARATE UNAUDITED 30/Jun/16 K,000	SEPARATE AUDITED 31/Dec/16 K,000
Borrowings	(1,248,153)	(2,683,002)	(7,675,824)	791,869	(258,802)	(1,885,335)
Repayment of borrowings	(521,200)	2,540,002	5,076,025	(375,507)	306,129	(5,535,582)
Share premium	-	-	(6,129,691)	(5,490,971)	-	-
Conversion of loans and pref shares into equity	10,271,802	-	8,684,389	-	-	8,684,389
Exchange loss related to borrowings	(9,399,615)	-	1,099,775	4,062,771	-	-
<b>Net cash generated from/(used in) financing activities</b>	<b>350,987</b>	<b>2,540,002</b>	<b>8,730,498</b>	<b>(1,803,707)</b>	<b>306,129</b>	<b>3,148,807</b>

NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT

	CONSOLIDATED UNAUDITED 30/Jun/17 K,000	CONSOLIDATED UNAUDITED 30/Jun/16 K,000	CONSOLIDATED AUDITED 31/Dec/16 K,000	SEPARATE UNAUDITED 30/Jun/17 K,000	SEPARATE UNAUDITED 30/Jun/16 K,000	SEPARATE AUDITED 31/Dec/16 K,000
Cash and cash equivalents at the beginning of the period	693,654	(361,020)	(361,020)	663,686	(599,786)	(599,786)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>(203,512)</b>	<b>(504,020)</b>	<b>693,654</b>	<b>(348,152)</b>	<b>(552,459)</b>	<b>663,686</b>

Review of the results

The Board is pleased to announce the results of the Group for the half year ended 30 June, 2017. Total income for the period increased to MK6.4 billion from MK4.4 billion in June 2016 representing a growth of 46%. The increase is as a result of improved occupancy at the Gateway, rent reviews, fair value adjustments of investment properties and interest income.

Total expenditure decreased by 20% from MK3.6 billion in June 2016 to MK2.9 billion in June 2017 due to reduced finance charges resulting from the successful capital restructuring of MPICO plc towards the end of 2016 and MPICO Malls Ltd in March, 2017.

The Group profit after tax for the half year increased to MK2.8 billion from MK0.7 billion in the corresponding period in 2016, representing an increase of 300%.

The Gateway occupancy has moved to 86% at the end of June 2017 from 74% at the start of the year. This is expected to continue growing as negotiations with credible prospective tenants are in progress.

Government rent payments still remain a big challenge, however, Management is continuously engaging the relevant authorities in order to find a lasting solution.

Dividend

The Board of Directors has resolved to declare an interim dividend of MK183.8 million representing 8 tambala per share (2016- MKnil). The Dividend declared will be paid on Friday the 20 October 2017 to all members whose names appear on the share register as at the close of business on 13 October, 2017.

Outlook

Real GDP growth for 2017 is projected to be around 4.5% up from 2.7% estimated for 2016 following the bumper crop harvest. However, supply side issues including water and electricity remain a challenge.

The Board has put in place strategic plans to ensure that the Group's good performance is sustained and therefore is very optimistic about the future.

By order of the Board.

Damien Kafoteka  
MANAGING DIRECTOR

Edith Jiya  
CHAIRPERSON