MPICO PLC REG. NO 1495

SUMMARY OF UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

	CONSOLIDATED UNAUDITED	CONSOLIDATED UNAUDITED	CONSOLIDATED AUDITED	SEPARATE UNAUDITED	SEPARATE UNAUDITED	SEPARATE AUDITED
	30-Jun-18	30-Jun-17	31-Dec-17	30-Jun-18	30-Jun-17	31-Dec-17
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	K,000	K,000	K,000	K,000	K,000	K,000
Rental income	2,862,705	2,382,268	5,507,380	940,919	760,924	1,648,396
Increase in fair value of investment properties	2,554,420	2,461,348	4,880,635	644,942	437,623	1,035,021
Other income	1,764,158	1,262,114	2,499,987	241,621	1,010,086	1,744,376
Total income	**7,181,283**	**6,105,730**	**12,888,002**	**1,827,482**	**2,208,633**	**4,427,793**
Expenditure	(2,011,978)	(2,559,025)	(5,764,667)	(854,758)	(987,139)	(1,727,570)
Total expenditure	**(2,011,978)**	**(2,559,025)**	**(5,764,667)**	**(854,758)**	**(987,139)**	**(1,727,570)**
Profit before income tax	5,169,305	3,546,705	7,123,335	972,724	1,221,494	2,700,223
Income tax expense	(1,370,729)	(786,306)	(2,030,467)	(279,150)	(351,591)	(756,414)
Profit after taxation for the period	**3,798,576**	**2,760,399**	**5,092,868**	**693,574**	**869,903**	**1,943,809**
APPROPRIATION OF PROFIT FOR THE PERIOD						
Distributable reserves	869,204	524,300	1,808,364	242,115	563,567	1,219,294
Non-distributable reserves	1,788,094	1,722,944	2,274,585	451,459	306,336	724,515
Amount attributable to members of the parent company	2,657,298	2,247,244	4,082,949	693,574	869,903	1,943,809
Amount attributable to minority interests	1,141,278	513,155	1,009,919	-	-	-
	3,798,576	**2,760,399**	**5,092,868**	**693,574**	**869,903**	**1,943,809**
Earnings per share (tambala)	**115.6**	**97.8**	**177.7**			
Analysed as:						
-Distributable (tambala)	37.8	22.8	78.7			
-Non-distributable (tambala)	77.8	75.0	99.0			
Number of shares used for calculation	2,298,047,460	2,298,047,460	2,298,047,460			
STATEMENTS OF FINANCIAL POSITION						
EQUITY AND LIABILITIES						
SHAREHOLDERS' EQUITY						
Ordinary share capital	114,902	114,902	114,902	114,902	114,902	114,902
Distributable reserves	4,305,696	676,092	1,811,650	4,124,802	2,912,027	3,383,910
Non-distributable reserves	25,728,664	25,177,024	25,728,664	17,711,358	17,293,179	17,711,358
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY	**30,149,262**	**25,968,018**	**27,655,216**	**21,951,062**	**20,320,108**	**21,210,170**
Non controlling interests	17,607,620	18,896,049	16,466,342	-	-	-
TOTAL EQUITY	**47,756,882**	**44,864,067**	**44,121,558**	**21,951,062**	**20,320,108**	**21,210,170**
LIABILITIES						
Non-current liabilities	9,665,724	8,864,976	14,300,480	3,915,182	3,297,825	6,399,720
	9,665,724	8,864,976	14,300,480	3,915,182	3,297,825	6,399,720
Current liabilities						
Liabilities	7,371,253	3,329,938	3,932,458	3,117,931	529,723	463,914
Bank overdraft	632,006	437,998	389,772	632,006	437,576	389,772
	8,003,259	3,767,936	4,322,230	3,749,937	967,299	853,686
TOTAL LIABILITIES	**17,668,983**	**12,632,912**	**18,622,710**	**7,665,119**	**4,265,124**	**7,253,406**
TOTAL EQUITY AND LIABILITIES	**65,425,865**	**57,496,979**	**62,744,268**	**29,616,181**	**24,585,232**	**28,463,576**
ASSETS						
NON-CURRENT ASSETS						
Investment properties	51,206,899	46,025,279	48,597,167	13,413,533	12,168,444	12,766,492
Other assets	331,882	742,108	2,368,127	14,081,189	10,398,081	13,953,905
Total non current assets	**51,538,781**	**46,767,387**	**50,965,294**	**27,494,722**	**22,566,525**	**26,720,397**
CURRENT ASSETS						
Receivables	13,812,750	10,495,106	11,638,735	2,097,409	1,929,283	1,682,879
Funds at call and on deposit	5,107	1,707	-	1,237	323	-
Cash and bank balances	69,227	232,779	140,239	22,813	89,101	60,300
Total current assets	**13,887,084**	**10,729,592**	**11,778,974**	**2,121,459**	**2,018,707**	**1,743,179**
TOTAL ASSETS	**65,425,865**	**57,496,979**	**62,744,268**	**29,616,181**	**24,585,232**	**28,463,576**
STATEMENTS OF CHANGES IN EQUITY						
At the beginning of the year	**44,121,558**	**27,958,715**	**27,958,715**	**21,210,170**	**19,450,205**	**19,450,205**
Distributable profit for the year	869,204	524,300	1,808,364	242,115	563,567	1,219,294
Prior year adjustment reserves	(160,752)	-	-	47,318	-	-
Non-distributable profit for the year	1,788,094	1,722,944	2,274,585	451,459	306,336	724,515
Minority Interest	1,141,278	513,155	1,009,919			
Dividend declared - Interim 2017	-	-	(183,844)	-	-	(183,844)
Dividend declared - Non Controlling Interest- Interim 2017	-	-	(178,250)			
Dividend declared - Non Controlling Interest- Interim 2018	(2,500)	-	-	-	-	-
Share Premium	-	14,144,953	11,432,069			
At the end of the year	**47,756,882**	**44,864,067**	**44,121,558**	**21,951,062**	**20,320,108**	**21,210,170**

	CONSOLIDATED UNAUDITED	CONSOLIDATED UNAUDITED	CONSOLIDATED AUDITED	SEPARATE UNAUDITED	SEPARATE UNAUDITED	SEPARATE AUDITED
	30-Jun-18	30-Jun-17	31-Dec-17	30-Jun-18	30-Jun-17	31-Dec-17
STATEMENTS OF CASH FLOWS	K,000	K,000	K,000	K,000	K,000	K,000
Cash flows from operating activities	**1,286,955**	**(1,066,663)**	**1,353,401**	**77,567**	**613,965**	**1,914,407**
Return on investment and servicing of finance						
Dividend received	-	-	-	-	10,425	162,675
Interest received	5,726	1,212,138	33,840	5,497	512,911	33,374
Interest paid	(400,876)	(998,244)	(1,745,372)	(64,332)	(109,128)	(152,851)
Dividend paid	-	-	(183,844)	-	-	(183,844)
Dividend paid outside shareholders, including tax	(2,500)	-	(178,250)	-	-	-
Net cash flows from returns on investment and servicing of finance	**(397,650)**	**213,894**	**(2,073,626)**	**(58,835)**	**414,208**	**(140,646)**
Income tax paid	(270,027)	(323,490)	(554,259)	(144,570)	(218,816)	105,957
Net cash flows (used in)/generated from operating activities	**619,278**	**(1,176,259)**	**(1,274,484)**	**(125,838)**	**809,357**	**1,879,718**
Purchase of property, plant and equipment and additions to investment properties	(202,097)	(74,178)	(285,644)	(148,886)	(19,772)	(28,909)
Proceeds on disposal of non-current assets	-	-	600,000	-	-	-
Staff long-term loan movements	(3,760)	2,284	5,289	(3,760)	2,284	5,289
Investment in subsidiary company						(9,060,465)
Net cash used in investing activities	**(205,857)**	**(71,894)**	**319,645**	**(152,646)**	**(17,488)**	**(9,084,085)**
Net cash flow before financing activities	413,421	(1,248,153)	(954,839)	(278,484)	791,869	(7,204,367)
Borrowings	(287,677)	(521,200)	3,297,954	-	(375,507)	6,854,480
Repayment of borrowings	-	-	(15,171,386)	-	(5,490,971)	(643,271)
Share premium	-	10,271,802	11,432,069	-	-	-
Conversion of loans and preference shares into equity	-	(9,403,029)		-	4,062,771	-
Exchange loss related to borrowings	(433,883)	-	453,015	-	-	-
Net cash generated from/(used in) financing activities	(721,560)	347,573	11,652	-	(1,803,707)	6,211,209
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	**(308,139)**	**(900,580)**	**(943,187)**	**(278,484)**	**(1,011,838)**	**(993,158)**
Cash and cash equivalents at the beginning of the period	(249,533)	693,654	693,654	(329,472)	663,686	663,686
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**(557,672)**	**(206,926)**	**(249,533)**	**(607,956)**	**(348,152)**	**(329,472)**

Review of the results

The Board is pleased to announce the results of the Group for the half year ended 30 June 2018. Total income for the period increased to MK7.2 billion from MK6.1 billion in June 2017 representing a growth of 18%. 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 for the year decreased to K2.0 billion in 2018 from K2.6 billion in 2017 largely due to a foreign exchange gain emanating from weakening of South African Rand and lower finance charges from reduced borrowings.

The Group profit after tax for the half year increased to MK3.8 billion from MK2.8 billion in the corresponding period in 2017, representing an increase of 38%.

The Gateway occupancy has moved to 95% at the end of June 2018 from 86% in June 2017.

The debtors figure included K10.4 billion being Government rent arrears. This amount has significantly been cleared after the reporting date.

Dividend

The Board of Directors has resolved to declare an interim dividend of MK206.8 million representing 9 tambala per share (2017- MK183.8 million). This dividend will be paid on 28 September 2018 to members whose names appear in the register as at the close of business on 14 Septermber,2018.

Outlook

Real Gross Domestic Product (GDP) growth for 2018 is projected at 4.0%, down from the estimate of 5.1% for 2017 largely because of lower agricultural output. Further downward pressure to economic growth emanates from continued electricity supply shortages.

The Board has 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**