



PRESS CORPORATION LIMITED

EXTRACTS FROM THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

In millions of Malawi Kwacha

Statements of Comprehensive Income	GROUP			COMPANY		
	Unaudited June 2013	Unaudited June 2012	Audited December 2012	Unaudited June 2013	Unaudited June 2012	Audited December 2012
Continuing operations						
Revenue	50,164	22,963	71,544	1,743	1,105	2,515
Operating profit	11,374	6,469	16,986	918	1,430	2,819
Net interest (paid)/Received	-	(113)	(1,048)	(87)	(87)	(97)
Exchange losses	(1,733)	(4,121)	(6,128)	(637)	(637)	(928)
Net finance (cost)/income	(1,733)	(4,254)	(7,166)	(724)	(724)	(927)
Share of profit of equity-accounted investments	1,130	1,272	3,421	-	-	-
Profit before income tax	10,771	3,487	13,239	194	706	1,827
Income tax expense	(3,394)	(1,318)	(3,738)	(162)	(105)	(146)
Profit for the period from continuing operations	7,377	2,169	9,501	32	601	1,487
Discontinued operations						
Profit from discontinued operations	11	-	12	-	-	-
Profit for the period	7,388	2,169	9,513	32	601	1,487
Total other comprehensive income - net of tax	2,422	2,205	4,276	2,560	1,965	17,702
Total comprehensive income for the period	9,810	4,374	13,789	2,992	2,566	19,189
Profit attributable to:						
Equity holders of the company	3,493	1,446	6,340	32	601	1,487
Non-controlling interest	3,895	703	3,173	-	-	-
	7,388	2,149	9,513	32	601	1,487
Total comprehensive income attributable to:						
Equity holders of the company	5,868	5,157	10,615	2,992	2,566	19,189
Non-controlling interest	3,942	(613)	3,173	-	-	-
	9,810	4,544	13,788	2,992	2,566	19,189
Earnings per share						
Basic earnings per share (MK)	29.66	12.03	52.75	-	-	-
Diluted earnings per share (MK)	28.97	12.03	52.64	-	-	-
Statements of Financial Position						
ASSETS						
Non-current assets						
Property, plant and equipment	68,536	51,289	67,836	1,192	397	1,096
Investment properties	3,391	2,776	3,591	-	-	-
Other investments	25,240	12,588	12,467	69,340	51,801	64,566
Loans and advances	29,294	35,742	23,500	338	5	207
Deferred tax assets	1,281	543	1,272	-	-	-
	127,742	102,938	108,666	70,870	52,203	65,869
Current assets						
Inventories	6,123	2,282	5,715	11	12	13
Loans and advances	17,579	14,283	29,808	-	-	-
Other investments	10,587	1,891	7,802	-	-	-
Trade and other receivables	38,982	27,004	37,659	517	1,822	263
Cash and cash equivalents	13,523	13,047	14,474	328	24	474
	87,094	59,477	95,455	855	1,858	750
Total assets	214,836	162,415	204,121	71,725	54,061	66,619
EQUITY AND LIABILITIES						
Equity						
Issued capital	1	1	1	1	1	1
Share premium	2,097	2,097	2,097	2,097	2,097	2,097
Reserves and retained earnings	45,706	31,430	39,879	55,265	39,861	52,285
Total equity & earnings attributable to equity shareholders holders of the parent	47,804	33,528	41,977	57,354	41,959	54,383
Minority interest	20,693	15,990	17,148	-	-	-
Total equity	68,497	49,518	59,125	57,354	41,959	54,383
Non-current liabilities						
	21,451	11,385	19,937	12,679	11,083	10,437
Current liabilities						
Bank overdraft	2,367	468	2,270	181	175	109
Interest bearing loans and borrowings	90,148	79,138	90,898	761	621	753
Provisions	2,181	1,085	3,206	-	-	384
Trade and other payables	30,192	21,221	26,085	759	223	553
	124,888	101,912	125,059	1,692	1,019	1,799
Total liabilities	146,339	113,297	144,996	14,371	12,102	12,236
Total equity and liabilities	214,836	162,415	204,121	71,725	54,061	66,619

Statements of Cash Flows

	GROUP			COMPANY		
	Unaudited June 2013	Unaudited June 2012	Audited December 2012	Unaudited June 2013	Unaudited June 2012	Audited December 2012
Cash flows from/(used in) operating activities						
Cash generated from/(used in) operations	17,673	10,109	25,148	249	(291)	(459)
Interest and tax paid	(8,182)	(4,052)	(10,853)	(423)	(196)	(574)
Net cash from/(used in) operating activities	9,491	6,057	14,295	(174)	(487)	(1,033)
Investing activities						
Proceeds from sale of property, plant and investments	3,599	12	2,964	10	13	(49)
Interest received	2,428	352	1,009	1,361	4	103
Dividend received	675	240	737	1,617	1,042	3,391
Additions to property, plant and equipment	(4,720)	(4,445)	(17,515)	(148)	(23)	(759)
Acquisition of subsidiary company	-	-	(1,058)	-	-	-
Net investments and loans	(14,006)	2,239	(380)	(2,488)	-	-
Net cash (used in) from investing activities	(12,024)	(1,592)	(14,243)	332	1,036	2,686
Financing activities						
Proceeds from/(repayment of) long term borrowings	2,597	321	5,972	(376)	(356)	(284)
Dividends paid to shareholders of the Company	-	-	(560)	-	-	(560)
Dividend paid to non-controlling interest shareholders	(1,112)	(612)	(1,615)	-	-	-
Net cash from/(used in) financing activities	1,485	(291)	3,797	(276)	(356)	(844)
Net increase/(decrease) in cash and cash equivalents	(1,048)	4,224	3,849	(218)	193	709
Cash and cash equivalents at 1 January	12,204	8,355	8,355	365	(344)	(344)
Closing cash and cash equivalents	11,156	12,579	12,204	147	(151)	365

Statements of Changes in Equity

	GROUP AS AT 31 JUNE 2013			GROUP AS AT 31 DECEMBER 2012			COMPANY	
	Owner's Equity	Non Controlling Interest	Total	Owner's Equity	Non Controlling Interest	Total	30 JUNE	31 DEC
Balance as at 1 January	41,977	17,148	59,125	31,532	16,384	47,916	54,383	35,459
Comprehensive income for the period	3,493	3,895	7,388	6,340	3,173	9,513	411	1,487
Fair value gains and losses	3437	115	3,552	4,514	518	5,032	2,560	17,784
Tax on other comprehensive income	(376)	(68)	(444)	151	(163)	(12)	-	222
Total comprehensive income for the year	6,554	3,942	10,496	11,085	3,528	14,613	2,971	19,493
Dividend from (to) equity holders	(727)	(397)	(1,124)	(560)	(2,766)	(3,326)	-	(560)
Balance as at 30 June/31 December	47,804	20,693	68,497	41,977	17,148	59,125	57,354	54,383

Segmental Performance

	June 2013		June 2012		December 2012	
	Financial Services	Telecommunications	Energy	Consumer Goods	All other segments	Total
June 2013						
Revenue	17,754	15,842	1,967	13,207	1,294	50,164
Operating profit	9,236	2,307	284	277	(718)	11,385
Net finance charges	-	(2,082)	314	102	(67)	(1,733)
Income tax	(2,955)	(415)	(192)	(114)	281	(3,395)
Profit from equity accounted companies	-	-	-	-	1,130	1,130
Profit/(loss) for the period	6,281	(1,990)	406	265	626	7,388
Capital additions	1,783	2,200	255	100	382	4,720
Total assets	135,012	52,446	6,804	4,443	16,131	214,836
June 2012						
Revenue	5,682	10,627	1,806	4,063	765	22,963
Operating profit	4,891	234	854	257	233	6,469
Finance charges	-	(3,982)	(2)	15	(1,003)	(4,972)
Income tax	(1,474)	(1,019)	(118)	(95)	-	(668)
Profit from equity accounted companies	-	-	-	-	1,220	1,220
Profit/(loss) for the period	3,417	(2,729)	734	177	598	2,169
Capital additions	708	3,409	199	25	89	4,430
Total assets	103,007	39,864	4,973	3,012	11,559	162,415
December 2012						
Revenue	22,151	24,852	7,075	18,848	1,618	74,544
Operating profit/(loss)	11,005	2,193	3,338	511	(61)	16,986
Finance charges	-	(6,781)	223	35	(645)	(7,166)
Income tax	(3,418)	941	(929)	(150)	(182)	(3,738)
Profit from equity accounted companies	-	-	-	-	3,421	3,421
Profit for the period	7,587	(3,647)	2,632	396	2,833	9,501
Capital additions	2,968	11,246	368	93	1,222	15,897
Total assets	125,590	49,226	7,443	4,347	17,515	204,121

Performance Highlights

The Board is pleased to report a consolidated profit after tax of MK7.388 billion (2012: MK2.149 billion) for the six months ended 30 June 2013. This represents a 244% increase on same period last year. Net profit attributable to ordinary shareholders was MK3.493 billion (2012: MK1.446 billion), representing a 142% increase on prior year. The full impact of the economic reforms implemented last year by the Government which in particular improved the availability of foreign currency was fully felt in the first half this year. The period saw increased business activity notwithstanding the high interest rates and all Group companies registered significant growth in their revenues. Likewise, the appreciation of the Kwacha against major currencies during the second quarter had a positive impact on revenues as imports were cheaper and companies made exchange gains on their foreign currency denominated liabilities.

The Financial Services Segment continued to be the main driver of Group results and registered 84% growth in its earnings during the period, a performance that was driven by increase in all its revenue streams except foreign currency transactions that were in decline. Likewise, the consumer goods segment and the brewing and bottling business delivered outstanding results and more than doubled their earnings. The fuel distribution business registered a 71% growth in its earnings.

The Telecommunications Segment made a loss but this was a 93% improvement on same period last year. The fixed-mobile voice telephony company restructured its balance sheet and sold part of its investment in TNM and the proceeds went towards the reduction of its debt burden and capital investment to optimize its revenue generation. The mobile phone business continued to be profitable and registered a 38% growth in its earnings.

The fisheries business made a loss mainly due to the decline in fish catches on account of changing weather patterns. In view of the continuing unpredictable weather the company is scaling up its investment in aquaculture, particularly pond culture.

Future Prospects

The Group sees great growth potential in power generation, ethanol manufacturing and fish farming. In the short to medium term, the group focus will be to develop and grow these businesses to further enhance shareholder value. Going forward into the second half of the year, the operating environment is expected to continue improving as both inflation and interest rates expected to continue going down.

Dividends

Directors have proposed an interim dividend of MK240.4 million (2012: MK200 million) representing MK2.00 per share (2012: MK1.66 per share) to be paid on Friday 25 October 2013 to those shareholders registered in the books of the company at the close of business on Friday, 20th September 2013.

Mr. Clement Chilingulo
Chairman
30th August 2013

Dr. M. A. P. Chikaonda
Group Chief Executive