Imara Holdings Limited
Reg No: CO 2002/3377
BSE Code: IMARA
Reuters Code: IMRA.BT
ISIN: 0000000629

Trading Statement

In accordance with the rules of the Botswana Stock Exchange, shareholders are advised that Imara Holdings Limited (“Imara” or the “Group”) has continued to encounter difficult trading conditions in the sub-Saharan markets in which it is active. African economies generally, have been affected by weak commodity prices, declines in currency values versus the US Dollar and negative equity markets, compounded by reduced trading volumes and lower prices. These conditions adversely impacted all our businesses which are highly leveraged to African economic conditions.

Operating divisions are facing head winds:

- Imara Asset Management (BVI & UK) assets under management have fallen further, due mainly to negative performance but have suffered remarkably few redemptions;
- Imara Trust has lost clients due to FATCA and CRS, the new global reporting initiatives, as well as increased compliance costs;
- Additionally, the group continues to have a high fixed cost structure and the announced Offer to Shareholders has inevitably been a distraction for executive and non-executive directors in recent months.

The combination of these factors, mean that Imara will incur a loss in its operating businesses in the first half year ended 31 October 2016.

On a positive note:

- Imara Corporate Finance has expanded its reach through signing an MOU with a leading stockbroking firm in Tanzania;
- Imara Zimbabwe has been a beneficiary of the proposed introduction of bond notes and resultant switch to equities, benefiting our Zimbabwe asset management and stockbroking businesses;
- Imara Capital Securities has increased market share in stockbroking in Botswana to above 35%; and
- Imara Capital Partners, our new private equity division, has closed its first transaction in Zambia.

Further particulars and details will be provided in the announcement of results to shareholders, which is due to be published by mid December 2016.

Financial information on which this Trading Statement is based has not been reviewed or reported on by Imara’s auditors.
In the “Announcement of Un-Audited Interim Group Results” for the corresponding six months ended 31 October 2015, Imara reported a profit after tax attributable to shareholders of P2 824 236. This included the profit after tax arising from the disposal of Imara SP Reid Proprietary Limited amounting to P14.70 million.

Shareholders are currently considering the Offer made to them by FWA Financial Limited and the Independent Board’s Response Circular. Subject to the fulfilment of the suspensive conditions, the Offer is due to close on 16 December 2016. The content of this Trading Statement is a further factor to be considered in deciding whether or not to accept the Offer.

Accordingly, shareholders are advised to exercise caution when dealing in the company’s securities, until such time as a full announcement of the interim financial results to 31 October 2016 is made.

For and on behalf of the Board of Directors
Gaborone
22 November 2016

Sponsoring Broker

IMARA
Capital Securities

A member of the Botswana Stock Exchange