The Directors of Imara Holdings Limited have pleasure in announcing the audited financial results of the Group for the twelve months ended 30 April 2014.

Independent Auditors

The independent auditors to the Imara Holdings Limited Group are Messrs Ernst & Young. Their report on the Financial Statements of the group and the company are available on request at the registered offices of the company.

Basis of preparation of financial statements

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards, ("IFRS"), which comprise standards approved by the International Accounting Standards Board, ("IASB"), and interpretations and applications of the International Financial Reporting Interpretations Committee ("IFRIC"), and the applicable requirements of the Botswana Companies Act , 2003. The financial statements have been prepared on a historical cost basis except for certain financial instruments that are carried at fair value.

Commentary & outlook

Overview

Imara Holdings Limited has delivered a much improved performance for the year ended 30 April 2014 with profit after tax of P16.81 million and attributable earnings of P10 million. This represents the best financial performance by the group since 2008, when it had its record year, on the back of an exceptional performance by the asset management division. This year’s profit increase and improvement on the P1.50 million loss for the prior year. This result is particularly pleasing given that the group’s operating business environment, in most instances, has not shown significant changes and has remained sluggish. African capital markets remain highly influenced by global economic adversity and uncertainty, although there are some recent indicators to suggest perhaps a slight recovery. However, this aside, some redemption of emerging and frontier markets asset classes is apparent, driven more by onerous regulatory and compliance issues, which are affecting First World markets, than the need for cash per se. Against this macro-economic backdrop, the group’s performance is commendable.

Total assets which amount to P344.22 million, refl ect a 36% increase over the prior year. This increase is largely attributable to stockbroking activities and more specifically to the cut off dates for accounting and reporting purposes, which impact directly on "due to" and "due from" brokerage positions. This is illustrated by the increase in trade and other receivables which have increased from P134.35 million to P224.74 million, and inventory which increased by P28.90 million. Interest rates remain extremely low and we observe, improving corporate earnings, reasonable returns to stakeholders, and the Board’s emphasis on enterprise wide risk management and reporting.

In line with international best practice, the group continues to strengthen its risk management and compliance functions. The implementation of the enterprise wide risk management and reporting systems is on track and in line with the original project plan. The compliance function is also being expanded and strengthened and is being complemented by an investment in technology and staff training.

Dividend

The group’s dividend policy is for dividends to be three times covered. In line with this policy, the Board has resolved to pay a dividend of 5 thebe per share in respect of the year ended 30 April 2014. Details relating to the dividend are outlined later in this announcement.

Outlook and Strategy

Opportunities for investment in African capital markets remain relatively cheap in world terms, despite the fact that African markets are not as strong and robust as in prior years. Across the African continent we continue to observe, improving corporate earnings, reasonable dividend yields, and fund flows from the pension fund industry, facilitated by deregulation, and a general increase in forward real rates. Interest rates remain stable, at reduced rates, due to macro-economic factors and generally improved fiscal discipline at government level. Against this background, Imara is well positioned to continue to seek opportunities that provide better returns on capital, and the Board’s emphasis continues to be on the sustainability of earnings. The group remains committed to investing in Africa.

Trading Statement

A trading statement, advising shareholders of the improved financial results for the group, for the year ended 30 April 2014, was published on 7 July 2014.

Directorate

There have been no changes to the directorate of the company during the current financial year.

Dividend

Notice is hereby given that the Board has declared a dividend of 5 thebe per share for the year ended 30 April 2014, payable in cash to all shareholders registered in the books of the company as at 15 September 2014. In terms of the Botswana Income Tax Act (Chapter 50:01) as amended, withholding tax of 20% will be deducted by a Double Taxation Agreement at any other enacted tax legislation, will be deducted where applicable from the gross dividend payable to shareholders.

Shareholders’ Diary

Important dates pertaining to the dividend are:

- Declaration date: 23rd July 2014
- Approval of Group & dividend declaration: 1st August 2014
- Late to register Cheques & dividend warrants mailed: 14th August 2014
- A trading statement, advising shareholders of the improved financial results for the group, for the year ended 30 April 2014, was published on 7 July 2014.

For and on behalf of the Board of Directors:

SM Ntloko
MIS Turner
Chief Executive Officer

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Directors:
SM Ntloko (Chairman),
MIS Turner (Chief Executive Officer),
AR Fleming, GE Johns, JR Legat,
ACH Makena, TM Mattias, RH Macleod,
DT Store, GJ Steffens

For and on behalf of the Board of Directors:

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