OPERATIONS

During the first half of the year 2015, the economy of Botswana was largely subdued as the mining and non-mining sector did not witness any significant growth. Weak domestic demand, low growth in personal incomes and shortages in electricity and water supply caused lower than expected growth in GDP. Loss inflation caused steady decline in interest rates. In this background of challenging business environment, the performance of the Group during the first half of the year 2015 has been satisfactory. Whilst revenue grew by 14%, profit after tax grew by 15%, over the same period of the year 2014. Income from insurance business also showed a stable growth. The Group continued to invest in infrastructure and fixed assets to enable efficient service delivery to customers.

The performance of Botswana remained within expectations with moderate growth in terms of revenue and profitability. The operations in Zambia have shown a stable growth during the last six months in terms of revenue from funeral services and agriculture business. Agreement from the Council of Chiefs was obtained recently and efforts shall soon commence to build the Kafue branch on land that was acquired in 2013. The Group continues to explore opportunities to open new branches in other towns within Zambia.

The acquisition of a small established South African funeral business, based in North West and Limpopo provinces, was recently concluded. Good progress has been made to develop the infrastructure and customer base.

OUTLOOK

Although the general business environment is challenging, the directors are confident that the Group will continue to perform in line with expectations.

DIVIDEND

The directors have resolved to declare an interim dividend of 75 cents (before tax) per share, subject to the deduction of withholding tax at 7.5%, payable on 12th October 2015 to members on the register on 2nd October 2015. For and on behalf of the Board

Daniel Neo Morska

Chairman

Miltonie Nikolou

Group Managing Director

11 August 2015

Directors

Dr H Mornska (Chairman), M Nikolou* (Group Managing Director), J Burdette**, L Nikolou, C Lombe-Letegele Vassilou (* Nikolou, **Burdette)

Group accounting policies and basis of preparation

These financial results have been extracted from the financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies applied are consistent with those applied in the prior period. The financial statements have been prepared on the historical cost basis, except for the revaluation of certain non-current assets. The results are presented in Botswana Pula and all values are rounded to the nearest thousand, except where otherwise indicated.