UNAUDITED GROUP FINANCIAL RESULTS

For the half-year ended 30 June 2016

The Directors take pleasure in presenting the results of FSG Limited ("Group") for the half-year ended 30 June 2016

PERFORMANCE HIGHLIGHTS:
- Profit after tax increased by 16% to P1.1 million
- Volume growth of 10.7% led to an increase in turnover by 10.8% to P26.1 million
- Income from funeral package schemes increased by 23% to P1.0 million
- Group revenue increased by 5% to P22.3 million
- Operating expenses increased by only 4.3% over the previous half-year.

OPERATIONS:
Botswana
During the first half of 2016, the Botswana economy continued to improve despite slower growth and domestic inflation remaining elevated, caused due to adverse movement in exchange rate, increase in certain and increased cost of utilities.

During this period, revenue from material-related services continued to grow and the Group maintained marketing status as the leading service provider from funeral package schemes with commendable growth of 23% following the introduction of new products in the previous year.

The Group, together with Botswana’s insurance market, has managed to stimulate consumer interest across income groups to have access to a viable and affordable in a profitable group product to which has been received an encouraging response.

Zambia
The construction of the Group’s new premises in Lusaka has been completed and was formally launched on 19th August 2015. The office and customer contact area is part of the development. The investment in the establishment of infrastructure will enable the Group to focus on stronger growth and enhance the capacity.

The use of 33% of the FSG (Zambia) limited to a Zambian citizen group was completed with effect from 1st January 2016.

Prospects
The directors are confident that the Group’s operating profit will continue to show satisfactory growth. Opportunities for operational expansion continues to be explored.

INTERIM DIVIDEND
The directors have resolved to declare an interim gross dividend of 3 (three) Cents per share payable on 16th November 2016 (in accordance to the register on 15th October 2016) for and on behalf of the Board

Private Bag 80
211
Gaborone
Botswana
Tel: +267 392 2374
Fax: +267 392 2374
www.fsg.co.bw