

Nictus Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 81/011858/06)  
JSE Share code: NCS  
ISIN Code NA0009123481  
("Nictus" or "the Company" or the "Group")

Summarised report relating to the audited financial results for the year ended 31 March 2016 and details of the notice of the annual general meeting

Summarised consolidated statement of financial position at 31 March 2016

Figures in R'000	2016	2015
<b>Assets</b>		
Property, plant and equipment	17 230	17 294
Intangible assets	355	588
Investments	39 841	38 629
Deferred tax assets	1 145	2 426
Loans and receivables	4 768	6 203
Non-current assets	63 339	65 140
Inventories	11 185	8 746
Loans and receivables	46 468	39 281
Trade and other receivables	254 464	197 916
Investments	22 988	131 881
Cash and cash equivalents	118 112	58 116
Current assets	453 217	435 940
Total assets	516 556	501 080
<b>Equity and liabilities</b>		
Stated capital	48 668	48 668
Revaluation reserve	7 983	8 170
Retained earnings	37 749	31 577
Equity	94 400	88 415
<b>Liabilities</b>		
Deferred tax liabilities	2 602	2 384
Non-current liabilities	2 602	2 384
Trade and other payables	7 610	12 212
Insurance contract liability	411 944	398 069
Current liabilities	419 554	410 281
Total liabilities	422 156	412 665

Total equity and liabilities	516 556	501 080
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Summarised consolidated statement of comprehensive income  
for the year ended 31 March 2016

Figures in R'000	2016	2015
Revenue	51 062	55 932
Cost of sales	(20 621)	(21 722)
Gross profit	30 441	34 210
Other income	4 062	2 328
Investment income from operations	30 699	28 796
Operating expenses	(40 626)	(46 327)
Administrative expenses	(19 146)	(15 308)
Results from operating activities	5 430	3 699
Investment income	3 869	3 037
Profit before taxation	9 299	6 736
Taxation (expense)/credit	(1 312)	88
Profit for the year	7 987	6 824
Other comprehensive income:		
Items that will never be reclassified to profit or loss		
Tax related to property valuation - capital gains tax rate change	(187)	-
Total comprehensive income for the year	7 800	6 824
Profit attributable to:		
Owners of the company	7 987	6 824
Total comprehensive income attributable to:		
Owners of the company	7 800	6 824
Earnings per share (cents)	12,05	10,30
Diluted earnings per share (cents)	12,05	10,30

Summarised consolidated statement of cash flows  
for the year ended 31 March 2016

Figures in R'000	2016	2015
Cash flows from operating activities		
Cash (utilised by)/generated from operations	(75 909)	(7 130)

Investment income received from operations	29 264	23 723
Dividends received	1 435	1 339
Dividends paid	(1 988)	-
Net cash (utilised by)/generated from operating activities	(47 198)	17 932
Cash flows from investing activities		
Acquisition of property, plant and equipment	(336)	(582)
Proceeds on sale of property, plant and equipment	104	-
Acquisition of intangible assets	(22)	(185)
Acquisition of investments	-	(4 204)
Proceeds from disposal of investments	1 873	2 192
Investment income received	3 869	3 037
Short-term funds disinvested/(invested)	108 893	(71 409)
Related parties loans advanced	(7 187)	(20 479)
Net cash generated from/(utilised by) investing activities	107 194	(91 630)
Total cash movement for the year	59 996	(73 698)
Cash and cash equivalents at the beginning of the year	58 116	131 814
Total cash and cash equivalents at the end of the year	118 112	58 116

Summarised consolidated statement of changes in equity  
for the year ended 31 March 2016

Figures in R'000	Stated capital	Re-valuation reserve	Retained earnings	Total equity
Balance at 1 April 2014	48 668	8 170	24 753	81 591
Total comprehensive income for the year				
Profit for the year	-	-	6 824	6 824
Total comprehensive income for the year	-	-	6 824	6 824
Balance at 31 March 2015	48 668	8 170	31 577	88 415
Total comprehensive income for the year				
Profit for the year	-	-	7 987	7 987

Other comprehensive income				
Deferred tax on property revaluations				
- capital gains tax rate change	-	(187)	-	(187)
Total comprehensive income for the year	-	(187)	7 987	7 800
Transactions with the owners of the company				
Distributions to the owners of the company				
Dividends paid	-	-	(1 988)	(1 988)
Prescribed dividends	-	-	173	173
Total transactions with the owners of the company	-	-	(1 815)	(1 815)
Balance at 31 March 2016	48 668	7 983	37 749	94 400

Summarised segmental report  
for the year ended 31 March 2016

Figures in R'000	2016	2015
Segment assets		
Furniture retail	63 679	63 782
Insurance and finance	486 431	469 363
Subtotal	550 110	533 145
Head office and eliminations	(33 554)	(32 065)
Total segment assets	516 556	501 080
Segment revenue		
Furniture retail	36 564	37 717
Insurance and finance	15 918	19 818
Subtotal	52 482	57 535
Head office and eliminations	(1 420)	(1 603)
Total segment revenue	51 062	55 932
Net profit/(loss) for the year		
Furniture retail	820	(764)
Insurance and finance	3 627	4 564
Subtotal	4 447	3 800
Head office and eliminations	3 540	3 024

Total net profit/(loss) for the year 7 987 6 824

#### Accounting policies

##### Basis of preparation

These summarised consolidated financial statements for the year ended 31 March 2016 ("Summarised Financial Statements") are prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements ("Listings Requirements"), and the requirements of the Companies Act (71 of 2008), as amended ("Companies Act") applicable to summarised financial statements.

The Summarised Financial Statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial pronouncements as issued by the Financial Reporting Standards Council and, at a minimum, contain the information required by IAS 34 Interim Financial Reporting. This announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34. The accounting policies applied in the preparation of the consolidated financial statements from which the Summarised Financial Statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements.

Mr. Eckhart H Prozesky (financial director, CA (SA)) was responsible for supervising the preparation of the Summarised Financial Statements.

The full Summarised Consolidated Financial Statements are available on our website, at our registered office and upon request.

The new standards and interpretation adopted during the period under review had no material impact on the Group.

##### Related parties

The Company has related party relationships with its subsidiaries, fellow subsidiaries, associates and with its directors and executive officers.

##### Reconciliation between earnings and headline earnings for the year ended 31 March 2016

Figures in R'000	Profit on ordinary activities	Taxation	Net profit
2016			
Profit for the year	9 299	(1 312)	7 987

Adjustments for:

Profit on disposal of property, plant and equipment	(18)	5	(13)
Headline earnings	9 281	(1 307)	7 974
2015			
Profit for the year	6 736	88	6 824
		2016	2015
Headline earnings per share (cents)		12,03	10,30
Diluted headline earnings per share (cents)		12,03	10,30

Responsibility for consolidated financial statements

The consolidated financial statements for the year ended 31 March 2016 ("Audited Financial Statements") have been audited by KPMG Inc., and their unqualified audit opinion is available for inspection at the registered office of the Company.

This Summarised Financial Statements have been extracted from the Audited Financial Statements, but is not itself audited. The directors of Nictus are solely responsible for the preparation of the Summarised Financial Statements and for its correct extraction from the underlying Audited Financial Statements.

Subsequent events

There were no events after the reporting date and up to the date of approval of these financial statements that affected the presentation of the consolidated financial statements for the year ended 31 March 2016, other than that a dividend of 3,00 cents per share was declared by the directors subsequent to year end, payable to shareholders registered on 22 July 2016. A separate announcement will follow containing details of the dividend.

Chairman's report - BJ Willemse

We are grateful to confirm that we continue on a strong growth path and that the longer-term strategic plan is in place and in the process of being implemented.

I believe the fact that Nictus Limited has a strong family shareholder base gives the company scope to focus on long-term growth and sustainable profit. We do not have to worry about the major shareholder's support to continue on a sustainable growth path that will deliver long-term returns to our shareholders and other stakeholders.

Nicolaas C Tromp stepped down as managing director (MD) of Nictus Limited group, after spending over 40 years building the original Nictus group. The fact that the group was unbundled into two

separate listed companies in Namibia and South Africa - each continuing with strong growth - pays tribute to his leadership and long-term vision. We hope to continue to benefit from his experience and insight as a board member, especially in evaluating new business opportunities.

Gerard R de V Tromp was appointed the new MD, after spending a number of years in the group in various capacities. He has a young and dynamic new management team, which is well educated and committed to the long-term growth path.

The SA economy is in a downturn phase, with a difficult operating environment for business. However, given the strong shareholder base and a strong management team we are confident that we will continue to deliver profit growth and utilise new opportunities. In the furniture industry, a number of large competitors closed down - while Nictus Furnishers remained profitable. We will continue to do ethical business and focus on selling furniture to our long established loyal customer base. The consolidation in the furniture industry has put the industry on a healthier path and we believe has created new opportunities for the group. Nictus Furnishers has embarked on a new venture with a German company to distribute very competitively priced, high quality compact furniture throughout South Africa.

The insurance company, Corporate Guarantee, continued to grow its asset base, following renewed focus in the niche market and will continue to do business with integrity, after the unlawful conduct of previous management. Strong further growth is envisaged.

Regulations in the industry continue to change and add administrative burdens and extra costs. Hopefully, the new regulations will finally be enacted in January 2017 for which Corporate Guarantee is well placed. Corporate Guarantee is fully compliant with industry regulations and the new dispensation will bring certainty from a regulatory point of view and will free up resources to continue building the business. The focus remains on a niche segment of the market with selected clients that can benefit through Corporate Guarantee's alternative risk transfer mechanisms, designed to assist business with an appetite for own-risk management.

Given a strong capital base and sufficient cash, we continue to carefully evaluate new business opportunities to grow the business further and to continue to deliver value to our stakeholders, doing business on an ethical basis. I wish to thank all staff for their loyalty and ethical way of doing business.

I thank my fellow board members for guidance and support in the continuous building of the company for the benefit of all stakeholders.

Group managing director's report - NC Tromp

I am thankful to report that the group achieved satisfactory results during the past financial year with a 17% increase in the profit for the year. With the support of our loyal stakeholders, management succeeded in finalising the reconstruction of the group during a very tough year.

#### Overview

Gerard R de V Tromp (CA(SA), CA(Namibia)), the deputy managing director of the group, who led the reconstruction of the group during the year, has been appointed managing director of Nictus Limited with effect from 18 April 2016. His main focus, together with the new management team, will remain in Gauteng and the Cape provinces, with a strong drive to achieve sustainable above average returns for all stakeholders of the group over the next three to five years.

#### Corporate governance

Nictus is committed to the highest standard of corporate governance. In our opinion, good corporate governance cannot be dictated by a set of rules and regulations, but must be driven by the moral convictions of the persons implementing them.

We further acknowledge our responsibility to ensure that business in the group is conducted with transparency, prudence, fairness, accountability and integrity.

#### Segmental performance

Nictus Limited continues to implement its vision of being an independent and diversified investment holding company. The investments in the short-term insurance and furniture retail sectors remain the key focus areas for the execution of this vision.

#### Furniture segment

The furniture segment was profitable during the past year. The focus on the segment is on staff recruitment and development as well as information technology development. The higher interest rates will have a negative effect on this sector, but we expect to remain profitable in the coming year.

#### Insurance and finance segment

Focus in the insurance and finance segment will be mainly the development of information technology to ensure that we keep in step with development in the insurance and finance industry. Management will also concentrate on stakeholder relations as a priority. The segment was consolidated during the past year, and we already see the benefit coming through in the profitability of the segment in the new year.

#### Outlook

Results of the restructuring of the group will bear fruit in the next three to five years. Dedicated focus on increasing shareholder and policyholder value in the coming year will be a



priority, although we foresee low growth in the economy because of the increase in interest rates, the severe impact of the drought and the increase in the exchange rate.

The effect of the higher interest rate will have a positive impact on the investment side of the group. The coming year will see a continued investment in development of management and related structures under the leadership of the new managing director. I firmly believe that the group is in good hands under the leadership of Gerard Tromp and his management team.

#### Appreciation

I would like to express my gratitude for the dedication and contribution of the chairman and the members of the board, management and staff for their support and commitment towards and the firm belief in the strategic direction of the group.

I wish to re-affirm our commitment to serving our customers, and thank them, together with all stakeholders, for their continued loyalty and support.

I am handing the reins over to my son and successor after serving as managing director for 37 years and being in office for over 40 years. I will still serve on the boards of the various companies in the Nictus group, and I trust that Gerard will experience the same loyal support from all our stakeholders, as I have experienced.

I thank you all for the support I have received for the past almost four decades.

Above all, I am humbled by the grace and thankful for the guidance of God Almighty.

#### Integrated report and notice of annual general meeting

The Integrated Report contains a notice convening the annual general meeting of Nictus shareholders for the year ended 31 March 2016 ("the AGM"). The AGM will be held in the boardroom at the Nictus Building, corner of Pretoria and Dover Street, Randburg, Gauteng on Thursday, 18 August 2016 at 12h00.

The notice of AGM and the summarised version of the Audited Financial Statements, are to be posted to Nictus shareholders on Thursday, 30 June 2016. The integrated report is available on the website [www.nictuslimited.co.za](http://www.nictuslimited.co.za).

B J Willemse  
Chairman  
30 June 2016

Sponsor on the JSE:  
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Company secretary  
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