



RDC PROPERTIES LIMITED

Registration Number 96/592 (Incorporated in the Republic Of Botswana)

Directors: MA Giachetti (Chairman)*, GR Giachetti (Managing)*, G Giachetti*, N Gaolathe , L Magang, GW Matenge, JS Stewart**
 Alternate Director: G Venkitchalam*** * Italian ** British***Indian

Un-audited Financial Results for the six months ended 30 June 2006

ABRIDGED INCOME STATEMENT

	30-Jun-2006 P000's	30-Jun-2005 P000's	
Turnover	9 788	9 388	4.26%
Operating expenses	(2 161)	(1 903)	13.56%
Profit before interest (After depreciation of P206 000 (2005: P214 000))	7 627	7 485	1.90%
Other income	468	222	
Exchange difference	311	694	
Surplus on revaluation of investment properties	-	-	
Profit from operations	8 406	8 401	0.06%
Finance costs	(3 291)	(2 417)	36.16%
Profit before Debenture interest and taxation	5 115	5 984	(14.52)%
Debenture interest	(2 288)	(2 189)	4.52%
Taxation	(8)	(87)	
Profit after taxation	2 819	3 708	(23.98)%
Minority interest	(167)	(120)	
Net profit for the period	2 652	3 588	(26.09)%
Average weighted number of linked units in issue	32 372 329	31 568 462	
Earnings per weighted average linked unit (thebe)	15.78	18.30	(13.79)%
Interim dividend (thebe)	0.141	0.137	
Interim debenture interest (thebe)	7.067	6.832	
Total distribution	7.208	6.969	3.43%

ABRIDGED BALANCE SHEET

	30-Jun-2006 P000's	30-Jun-2005 P000's	
Assets			
Plant and equipment	2 964	586	
Investment properties	158 678	142 520	
Investments	5 467	3 597	
Current assets	7 505	4 044	
Total Assets	174 614	150 747	15.83%
Equity and Liabilities			
Unitholders' funds	97 347	96 414	
Minority interest	6 194	4 574	
Long term borrowings	40 631	28 265	
Deferred taxation	11 989	10 321	
Liabilities	18 453	11 173	
Total equity and liabilities	174 614	150 747	

CASHFLOW STATEMENT

	30-Jun-2006 P000's	30-Jun-2005 P000's
Profit from operations	8 406	8 401
Adjustment for non cash items	1 426	214
Adjustment on translation and consolidation of foreign entities	531	(25)
Working capital changes	(7 282)	3 175
Interest paid	(3 291)	(2 417)
Distribution to unitholders	(2 288)	(3 105)
Taxation paid	(96)	631
Cash generated from operations	(2 594)	6 874
Purchase of plant and equipment	(2 829)	-
Additions to investment properties	(16 604)	(11 376)
Net loans raised/(Repaid)	13 504	1 564
Proceeds from issue of units	755	1 343
Additional funds from Minority Shareholder	1 620	1 394
Net increase / (decrease) in cash and cash equivalents	(6 148)	(201)
Cash and cash equivalents beginning of the period	(1 529)	(1 328)
Cash and cash equivalents end of the period	(7 677)	(1 529)

STATEMENT OF CHANGES IN EQUITY

	30-Jun-2006 P000's	30-Jun-2005 P000's
Balance brought forward	96 414	91 531
Foreign subsidiary translation movement	531	(25)
Capitalisation issues	755	1 343
Net movement in distribution	233	(873)
Retained income for period	(586)	4 438
Balance at 30 June 2006	97 347	96 414

COMMENTS and PROSPECTS

On 27 April 2006, His Excellency Mr. Festus G. Mogae officially opened the refurbished Standard House. Even though the effect of this opening has not yet been realised as the property generated limited income, the Company is pleased to report that the Turnover for the period has increased by 4.26% in comparison to the first six months of last year.

The lack of revenue from Standard House and the costs associated with the lettings as well as tenant occupation costs incurred during this period, have had an impact on the operating costs of the group. The impact has been less than anticipated and it is expected that the benefit of these costs will be realised in subsequent periods.

The revenue is anticipated to significantly grow in the second half of the year when income from Standard House and the letting of Tholo II will be realised.

Finance costs have also increased significantly over the year, this is mainly on account of the high level of interest rates and the financing of the new projects, the directors are considering different alternatives to the present financing methods.

Although the property market continues to experience some stagnation, and in particular in the retail and commercial sector, the Company has been able to reduce the vacancy rate. With the completion of the refurbishment of Standard House, Tholo II has been released on the market, the building is now fully let.

The company continues to have confidence in the rate of return offered by investment in Madagascar. We are pleased to report that Tana Waterfront continues to trade well.

The Company has been able to finalise the leasing of a beautiful plot of land close to the Isalo National Park – the most visited Park in Madagascar. The plan is to construct a 40 bedrooms Lodge called Isalo Rock Lodge. It is anticipated that the lodge will be opened during the second quarter of 2008. A newly formed Madagascar registered company, HMS1 S.a.r.l., will own the property and buildings. Through RDC Properties Mauritius Limited we will own 50% of HMS1.

The Isalo Rock Lodge project is part of a more ample strategy which will see the Company participating in the development of few Hotels and Lodges within Madagascar in order to take advantage of the big demand for quality hospitality facilities in the country. It is anticipated that the Three Cities Group, which presently manages Chobe Marina Lodge, will be involved in the marketing and management of the new facilities.

DISTRIBUTION TO LINKED UNIT HOLDERS

Notice is hereby given that the interim dividend of 0.141 thebe per share and interest of 7.067 thebe per debenture has been declared. This dividend and interest will be payable on the 27 October 2006 to those linked unitholders registered at the close of business on 15 September 2006. In terms of the Republic of Botswana Income Tax Act as amended, withholding tax at a rate of 15% will be deducted by the company from all dividends paid and also from interest paid to foreign registered unit holders. As per amended Seventh Schedule to the Income Tax Act, withholding tax of 10% on interest to a resident for amounts in excess of P 1 500.00 per quarter, will be deducted wherever applicable.

By order of the Board
 G.R Giachetti
 Gaborone August 08, 2006