

**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 Mutenge, J.S Stewart\*\*  
\* Italian \*\* British**HIGHLIGHTS - Un-audited Financial Results for the six months ended 30 June 2007**

- REVENUE UP 17.2 % ; PROFIT BEFORE TAX UP 15.7% ;
- INVESTMENT AND PROPERTY PORTFOLIO GROWS NOW STANDS AT P 184,349,000
- POSITIVE CONTRIBUTION FROM THE RE-FINANCING AGREEMENTS
- RDC CONCLUDES A NEW DEVELOPMENT AGREEMENT IN MADAGASCAR- TANA WATERFRONT HOTEL.

**ABRIDGED INCOME STATEMENT**

	30-Jun-2007 P000's	30-Jun-2006 P000's	
Turnover	11 466	9 788	17.15%
Operating expenses	(2 584)	(2 161)	38.08%
Profit before interest	8 482	7 627	11.18%
Other income	723	468	
Exchange difference	307	311	
Surplus on revaluation of investment properties	-	-	
<b>Profit from operations</b>	<b>9 512</b>	<b>8 406</b>	13.16%
Finance costs	(3 592)	(3 291)	9.14%
<b>Profit before Debenture interest and taxation</b>	<b>5 920</b>	<b>5 115</b>	15.74%
Debenture interest	(3 063)	(2 288)	33.88%
Taxation	(184)	(8)	
<b>Profit after debenture interest and taxation</b>	<b>2 673</b>	<b>2 819</b>	(5.18)%
Minority interest	(241)	(167)	
Net profit for the period	2 432	2 652	(8.26)%
Dividend	(61)	(46)	
<b>Retained Profit</b>	<b>2 371</b>	<b>2 606</b>	
Average weighted number of linked units in issue	32 372 329	32 372 329	
<b>Earnings per weighted average linked unit (thebe)</b>	<b>17.72</b>	<b>15.78</b>	12.30%
Interim dividend (thebe)	0.189	0.141	
Interim debenture interest (thebe)	9.461	7.067	
<b>Total distribution</b>	<b>9.650</b>	<b>7.208</b>	<b>33.88%</b>

**COMMENTS and PROSPECTS**

We are pleased to report a solid set of results for the first half of 2007; The Company has experienced a significant increase in the turnover, **17.15%**, compared to the same period last year; this positive contribution is due to the income generated by the renting of Standard House, Plaza and the improvements in the overall vacancy level of the portfolio. The vacancy level has reduced from **12.35%** at the end of June 2006 to **4.24%** at the end of June 2007.

The increase on the operating expenses is due to the costs associated with, one off, refurbishments carried out on some of the out laying properties and the running costs of Standard House. Renovations to most properties have been completed and it's anticipated that the cost of maintenance would reduce in the later part of this year.

Considering the increase in the investment portfolio we are pleased to note a significant reduction of the relative weight of the Finance costs as we are having the positive effect of the refinancing agreement entered with BIFM Capital Investment Fund One (Pty) Limited.

We are happy to report a substantial increase in distribution to linked-unit holders, **33,88%**, due to the combined effect of the reduction in finance costs and the increase of the turnover.

We are observing that the property market is starting to pick up from stagnation in the last years, in particular in the retail and commercial sector; There are increasing enquiries for space to rent and the demand for larger office and retail spaces is a welcome sign for the years to come.

The preliminary designs for the development of a high rise building in the New CBD of Gaborone has started and it is anticipated that the building works shall commence during the first quarter of next year.

The Company is pleased with the trading conditions of the Waterfront development in Madagascar and we have managed to secure an agreement for the joint development of a business hotel on the site next to the shopping centre. The plan is to construct a 60 bedrooms city hotel called Tana Waterfront Hotel. It is anticipated that the Hotel will be opened during the first quarter of 2009. A newly formed Madagascar registered company, Malagasy Resorts SA, will own the property and buildings. Through RDC Properties Mauritius Limited we will own 50% of Malagasy Resorts SA.

This new Hotel is part of the strategy which will see the Company participating in the development of few Hotels and Lodges within Madagascar, taking advantage of the high demand for tourism resorts in the country.

The works on the Isalo Rock Lodge are progressing and we are anticipating a soft opening during the last quarter of 2008. The total investment for RDC in this Hotel is estimated to being close to P11 million and will have income essentially denominated in Euro.

**DISTRIBUTION TO LINKED UNIT HOLDERS**

Notice is hereby given that the interim dividend of 0.189 thebe per share and interest of 9.461 thebe per debenture has been declared. This dividend and interest will be payable on the 26 October 2007 to those linked unitholders registered at the close of business on 12 October 2007. 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 07, 2007

**ABRIDGED BALANCE SHEET**

	30-Jun-2007 P000's	30-Jun-2006 P000's	
<b>Assets</b>			
Plant and equipment	2 685	2 964	
Investment properties	169 809	158 678	
Investments	6 116	5 467	
Current assets	5 739	7 505	
<b>Total Assets</b>	<b>184 349</b>	<b>174 614</b>	5.58%
<b>Equity and Liabilities</b>			
Unitholders' funds	101 019	95 178	
Minority interest	3 124	2 169	
Long term borrowings	7 390	6 194	
Deferred taxation	46 119	40 631	
Liabilities	13 591	11 989	
Total equity and liabilities	13 106	18 453	
	<b>184 349</b>	<b>174 614</b>	

**CASHFLOW STATEMENT**

	30-Jun-2007 P000's	30-Jun-2006 P000's
Profit from operations	9 352	8 406
Adjustment for non cash items	287	206
Adjustment on translation and consolidation of foreign entities	(307)	(311)
Working capital changes	1 729	(2 494)
Interest paid	(3 432)	(3 291)
Dividend and Debenture interest	(3 124)	(2 334)
Taxation paid	(213)	(175)
<b>Cash generated from operations</b>	<b>4 292</b>	<b>2</b>
Purchase of plant and equipment	(276)	(2 872)
Additions to investment properties	(3 429)	(3 508)
Net loans raised/(Repaid)	(629)	4 767
Net increase/(decrease) in cash and cash equivalents	(42)	(1 606)
Cash and cash equivalents beginning of the period	(296)	(6 071)
Cash and cash equivalents end of the period	(439)	(7 677)

**STATEMENT OF CHANGES IN EQUITY**

	30-Jun-2007 P000's	30-Jun-2006 P000's
Balance brought forward	103 303	97 333
Translation reserve	-	276
Net movement in non distributable reserves	4	-
Net movement in unit holders distribution	(1 571)	(1 802)
Retained income for period	2 407	3 540
<b>Balance at 30 June 2007</b>	<b>104 143</b>	<b>97 347</b>