



# 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, J.S Stewart\*\*  
\* Italian \*\* British



## HIGHLIGHTS – Un-audited Financial Results for the half year ended 30 June 2010

- > REVENUE UP **13.64%**; PROFIT FROM OPERATIONS UP BY **18.82%**
- > TOTAL DISTRIBUTION TO LINKED UNIT HOLDERS UP **15.11%**;
- > INVESTMENT AND PROPERTY PORTFOLIO UP BY **51.62%**, NOW STANDS AT **P 394.595 million**
- > PROJECTS COMPLETED:- **ISALO ROCK LODGE-MADAGASCAR-opened to the public 1 June 2010**
- > PROJECTS IN PROGRESS:- **MASA CENTRE GATHERING EVER MORE INTEREST OF THE MARKET**

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME	(Un-audited) 30 June 2010 P000's	(Un-audited) 30 June 2009 P000's	
Revenue	16,397	14,429	13.64%
Operating expenses	(3,572)	(3,142)	
Finance costs	(2,192)	(2,338)	
<b>Profit from operations</b>	<b>10,633</b>	<b>8,949</b>	<b>18.82%</b>
Other income	404	374	
<b>Profit before fair value adjustments &amp; exceptional items</b>	<b>11,037</b>	<b>9,323</b>	<b>18.38%</b>
Exchange loss	(934)	(1,438)	
<b>Profit before tax</b>	<b>10,103</b>	<b>7,885</b>	<b>28.13%</b>
Income tax credit/(expense)	84	(395)	
<b>Profit for the year</b>	<b>10,187</b>	<b>7,490</b>	<b>36.01%</b>

<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations	(1,194)	-	
<b>Total comprehensive income for the year</b>	<b>8,993</b>	<b>7,490</b>	
<b>Total comprehensive income for the year attributable to:</b>			
-Non-controlling interests	1,073	530	
-Equity holders of the parent	7,920	6,960	13.79%
	<b>8,993</b>	<b>7,490</b>	

Number of linked units in issue at period end	33,541,022	32,372,329	
Average weighted number of linked units in issue	32,958,476	32,372,329	
<b>Earnings per linked unit (thebe)</b>	<b>24.03</b>	<b>21.50</b>	
Interim dividend (thebe)	0.31	0.27	
Interim debenture interest (thebe)	15.61	13.56	
<b>Total distribution</b>	<b>15.92</b>	<b>13.83</b>	<b>15.11%</b>

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION			
<b>Assets</b>			
Plant and equipment	1,768	1,956	
Intangible assets	1,000	1,000	
Investment properties	394,595	260,255	
Investments	2,408	9,057	
Current assets	17,606	16,247	
<b>Total Assets</b>	<b>417,377</b>	<b>288,514</b>	
<b>Equity and Liabilities</b>			
Unitholders' funds	150,839	125,725	
Non-controlling interests	67,542	45,737	
Long term borrowings	134,210	69,029	
Deferred taxation	25,783	17,939	
Current liabilities	39,003	30,084	
<b>Total equity and liabilities</b>	<b>417,377</b>	<b>288,514</b>	

ABRIDGED GROUP STATEMENT OF CASH FLOWS			
Profit from operations	12,825	11,287	
Adjustment for non cash items	188	88	
Working capital changes	1,708	10,143	
Interest paid	(2,192)	(2,338)	
Investment income	404	374	
Dividend and debenture interest paid	(10,258)	(3,796)	
Taxation paid	(121)	(228)	
<b>Cash generated from operations</b>	<b>2,554</b>	<b>15,530</b>	
Purchase of plant and equipment	-	2,225	
Additions to investment properties	(106,617)	(73,439)	
Investments in subsidiaries	6,648	1,497	
Net loans raised	67,028	26,730	
Proceeds from issue of linked units	4,534	-	
Addition capital from non-controlling interests	21,806	36,569	
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,047)</b>	<b>9,112</b>	
Cash and cash equivalents beginning of the year	3,563	(5,549)	
<b>Cash and cash equivalents end of the year</b>	<b>(484)</b>	<b>3,563</b>	

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY			
Balance brought forward	171,462	121,166	
Capitalisation Issue	4,534	-	
Net movement in distribution	(10,258)	(10,360)	
Equity holders of the parent	30,837	24,087	
Non-controlling interests	21,806	36,569	
<b>Balance at 30 June 2010</b>	<b>218,381</b>	<b>171,462</b>	

## COMMENTS and PROSPECTS

We are pleased to present the RDC Properties Limited un-audited financial results for the half year ended 30 June 2010. This has continued to be a very active period for the Group across all its activities from developments, to property management and rental collections.

The Group performed very well with growth being realised in both the portfolio and rental income; the property portfolio grew by 51.62% to **P394.595 million** (2009: P260.255) and the gross income by 13.64% to **P16.397 million** (2009: P14.429 million).

Profit before fair value adjustments and exceptional items increased by **18.82%** to **P10.633 million** (2009: P8.949 million), profit before tax, increased substantially by **28.13%** at **P10.103 million** (2009: P7.885 million) due to the combined effect of the increase in turnover and reduction in finance costs. The Group recorded an exchange loss of P0.934 million (2009: P1.438 million) arising from offshore investments in Madagascar due to the relative appreciation of the Pula.

We are happy to report a significant increase in the distribution to linked-unit holders of 15.11%.

Following the Company's net interim distribution by way of capitalisation option, which took place in October 2009 and June 2010 the total units of the Company in issue are 33,541,022.

**Masa Centre** is making significant progress with the building now reaching the finishing stages both internally and externally. Tenants of the Centre are starting their fitting out and the consulting team is working hard in coordinating all the aspect of such a complex development. The Centre continues to attract international retail brands that will delight trendsetters with a love for style and glamour. The roof wetting party took place on the 22<sup>nd</sup> April and it was a great success with guests enjoying wonderful views of Gaborone from the roof pool terrace and dancing under the stars. The financing of the project has been secured and formalities are presently being put in place with local banks to take up the remainder of the long term financing.

A targeted marketing campaign is ensuring that the Masa Centre becomes home for an exciting mix of multinational corporate and international retail brands. For more information on letting opportunities contact: [masacentre@rdc.bw](mailto:masacentre@rdc.bw)

The **Isalo Rock Lodge**, the Group's latest development in Madagascar opened to the public on the 1<sup>st</sup> of June 2010. Isalo Rock Lodge is a beautiful, modern 4 star hotel with a great view on of the prehistoric valley surrounding the Isalo National Park. This lodge will start contributing positively to the results of the Group in the next year. The reports received from the first guests of the lodge have been extremely encouraging for the management of the hotel.

The web-site has now been finalised and is available in English and French, soon in Italian as well ([www.isalorocklodge.com](http://www.isalorocklodge.com)), with great pictures of the rooms, surrounding area, restaurant and of our dynamic team.

## DISTRIBUTION TO LINKED UNIT HOLDERS

Notice is hereby given that the interim dividend of 0.31 thebe per share and interest of 15.61 thebe per debenture has been declared. This dividend and interest will be payable on the 29 October 2010 to those linked unit-holders registered at the close of business on 22 October 2010. 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 05, 2010

