



RDC PROPERTIES LIMITED

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

Directors: GR Giachetti (Chairman)*, MA Giachetti*, G Giachetti*, N Gaolathe, L Magang, J.S Stewart**
* Italian ** British



HIGHLIGHTS –Un-audited Financial Results for the half year ended 30 June 2012

- REVENUE UP **24.71%**
- PROFIT BEFORE TAX UP **14.46%**
- INVESTMENT AND PROPERTY PORTFOLIO UP BY **31.62%**, NOW STANDS AT **P669 million**
- MASA CENTRE: **DEVELOPMENT COMPLETE**, LANSMORE MASA SQUARE HOTEL OPENED JULY 2012.

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Un-audited 30-June-2012 P'000	Un-audited 30-June-2011 P'000	
Revenue	19,145	15,352	24.71%
Operating expenses	(5,782)	(5,397)	
Finance costs	(3,034)	(2,100)	
Profit from operations	10,329	7,855	31.50%
Other income	526	1,021	
Profit before exchange differences	10,855	8,876	
Exchange gain	675	1,197	
Profit before tax	11,530	10,073	14.46%
Income tax expense	(291)	(86)	
Profit after tax for the period from continuing operations	11,239	9,987	
Discontinued operations			
(Loss)/profit from discontinued operations	(14)	35	
Profit for the period	11,225	10,022	
Other comprehensive income			
Exchange differences on translating foreign operations	(414)	(428)	
Total comprehensive income for the period	10,811	9,594	12.69%
Total comprehensive income for the period attributable to:			
-Non-controlling interests	1,871	712	
-Equity holders of the parent	8,940	8,882	
	10,811	9,594	
Number of linked units in issue at period end	35,033,129	34,544,029	
Average weighted number of linked units in issue	34,586,909	33,642,697	
Earnings per linked unit (thebe)	25.85	26.40	
Interim dividend (thebe)	0.33	0.32	
Interim debenture interest (thebe)	16.38	15.82	
Total distribution	16.71	16.14	3.53%

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	Un-audited 30-June-2012 P'000	Un-audited 30-June-2011 P'000	
Assets			
Property, plant and equipment	23,049	285,740	
Intangible assets	1,000	1,000	
Investment properties	642,905	219,312	
Investments	2,065	2,237	
Current assets	18,883	21,736	
Assets classified as held for sale	281	1,245	
Total Assets	688,183	531,270	
Equity and Liabilities			
Unitholders' funds	254,896	171,890	
Non-controlling interests	85,370	71,401	
Long term borrowings	237,192	220,604	
Deferred taxation	53,600	31,006	
Current liabilities	56,686	35,574	
Liabilities directly associated with assets classified as held for sale	439	795	
Total Equity and Liabilities	688,183	531,270	

ABRIDGED GROUP STATEMENT OF CASH FLOWS

	Un-audited 30-June-2012 P'000	Un-audited 30-June-2011 P'000	
Profit from operations (continuing and discontinued)	14,546	12,069	
Adjustment for non cash items	728	780	
Working capital changes	13,546	(15,503)	
Net interest paid	(3,034)	(2,090)	
Investment income	418	568	
Dividend and debenture interest paid	(15,041)	(19,453)	
Taxation paid	(465)	(332)	
Cash generated/(used in) from operations	10,698	(23,968)	
Purchase of property, plant and equipment	(29,603)	(79,078)	
Investments in subsidiaries	172	172	
Net loans raised	11,482	82,864	
Proceeds from issue of linked units	2,988	5,687	
Additional capital from non-controlling interests	6,512	3,146	
Net increase/(decrease) in cash and cash equivalents	2,249	(11,177)	
Cash and cash equivalents beginning of the period	(11,661)	(484)	
Cash and cash equivalents end of the period	(9,412)	(11,661)	

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

	30-June-2012 P'000	30-June-2011 P'000
Balance brought forward	243,291	218,381
Capitalisation issue	2,988	5,687
Net movement in distribution	(15,041)	(19,453)
Equity holders of the parent	95,059	34,817
Non-controlling interests	13,969	3,859
Balance at period end	340,266	243,291

COMMENTS and PROSPECTS

We are pleased to present the RDC Properties Limited un-audited financial results for the half year ended 30 June 2012. This has continued to be a very active period for the Group with the starting of operations at the Masa Centre being the main focus and in particular the opening of few of the restaurants and offices before the 30th of June 2012. The major increase in revenue will be experienced in the next six months as the hotel and all other businesses start trading.

The Group's gross revenue increased by 24.71% to P19,145 million (2011: P15,352 million) as a result of the stable tenant base in the existing portfolio and the new stream of rental income from Masa Centre. This in turn resulted in the increase in profit before taxation to P11,530 million (2011: P10,073 million). The property portfolio was independently valued for the year ended 31 December 2011 resulting in a significant increase in the portfolio by 31.62% to P669,019 million (2011: P508,289 million) confirming its solidity.

Following the Company's final distribution by way of capitalisation option, which took place in May 2012, the company's total linked-units in issue are now 35,033,129. The distribution to the linked-unit holders has increased by 3.53% in line with the results of the Group.

The property market has in the last few years experienced an increase in the construction of office complexes around the new Gaborone Central Business District, Fairground office park and other surrounding areas. Although this could pose a threat of oversupply, the Group's portfolio boasts with properties that are well positioned attracting blue chip tenancies. This has been shown by the solid results achieved for the period. The vacancy level of the portfolio is currently 1.77% excluding Masa Centre which will be accounted for from the 1st of July 2012.

Masa Centre

Masa Centre has finally come to life with the majority of the retail gallery boutiques, restaurants, the hotel and some of the offices being operational. Lansmore Masa Square hotel opened its doors to the public mid July 2012. The hotel has a restaurant and coffee lounge bar (Espresso) which is adding a different twist to the vibe already created by the other two existing restaurants, Cappello and 'Ribs and Rumps'. The retail gallery has high end and well known international brands. The underground parking is also now operating offering secure parking to tenants and visitors. The office space is actively being rented out and it is anticipated that it will be fully let out by mid of 2013. For more information on letting opportunities for office space, contact: masacentre@rdc.bw.

Isalo Rock Lodge, Madagascar

The uncertain political situation in Madagascar and the world wide economic downturn continue to impact negatively on the flow of tourists into the country which in turn has affected the results of the lodge in this period. However, it is anticipated that the elections of Madagascar will take place in the second quarter of 2013 which could improve the political situation in the country. In addition, a more specific and tailored marketing approach has been taken. Contracts are being signed with tour operators and booking agencies in order to increase and maximise the flow of tourists to the lodge. In view of a possible shortfall in revenue, all measures have been taken to reduce costs and adapt to the seasonality of the business. We are confident that with all the measures being taken, positive results could be witnessed from 2013. For more information visit www.isalorocklodge.com.

DISTRIBUTION TO LINKED UNIT HOLDERS

Notice is hereby given that the interim dividend of 0.33 thebe per share and interest of 16.38 thebe per debenture has been declared. This dividend and interest will be payable on the 31st of October 2012 to those linked unit-holders registered at the close of business on 21st September 2012. In light of the Masa Centre development, it is the intention of the directors to propose, to those linked unit holders who qualify, an elective distribution of 50% of the net interim distribution by way of a capitalisation option. Details of this option will be circulated to unit holders. The option will open on the 28th of September 2012 and will close on the 19th of October 2012. The listing of the new units on the Botswana Stock Exchange will occur on the 24th of October 2012. In terms of the Botswana Income Tax Act as amended, withholding tax at a rate of 7.5% will be deducted by the company from all dividends paid and 15% from interest paid to foreign registered unit holders. As per the Seventh Schedule to the Income Tax Act, withholding tax of 10% on interest paid to residents for amounts in excess of P1,950.00 per quarter, will be deducted wherever applicable.

By order of the Board
G.R Giachetti
Executive Chairman
Gaborone 7 September 2012