



RDC PROPERTIES LIMITED

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

Directors: GR Giachetti (Chairman)*, MA Giachetti*, G Giachetti*, L Magang, K. C. Maphage, M.C. Tibone, J. Pari*, K. Jefferis* Italian

HIGHLIGHTS –ANNOUNCEMENT OF THE ABRIDGED UN-AUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2014

- REVENUE UP 25%
- PROFIT FROM OPERATIONS UP 6%
- PROFIT BEFORE TAX UP 20%
- INVESTMENT AND PROPERTY PORTFOLIO UP BY 14%, NOW STANDS AT P869 million

ABRIDGED UN-AUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Six months Ended 30 June 2014 P'000	Six months Ended 30 June 2013 P'000	
Revenue	37,978	30,462	25%
Operating expenses	(10,057)	(9,245)	
Other operating income	1,195	308	
Loss arising from joint venture	(1,439)	-	
Net foreign exchange gains (losses)	(904)	3,825	
Profit from operations	26,773	25,350	6%
Net finance costs	(11,205)	(12,343)	
Profit before tax	15,568	13,007	20%
Income tax expense	(140)	(325)	
Profit for the period from continuing operations	15,428	12,682	22%
Other comprehensive income			
Exchange differences on translation of foreign operations	-----	(2,369)	
Total comprehensive income for the period	15,428	10,313	
Profit for the period attributable to:			
Owners of the company	11,021	10,153	
Non-controlling interest	4,407	2,529	
	15,428	12,682	
Number of linked units in issue at period end	222,182,055	178,266,260	
Earnings per linked unit (thebe)	4.96	5.70	
Interim dividend (thebe)	0.054	0.064	
Interim debenture interest (thebe)	2,717	3,242	
Total distribution (thebe)	2,771	3,306	

ABRIDGED UN-AUDITED GROUP STATEMENT OF FINANCIAL POSITION

	2014 P'000	2013 P'000
Assets		
Property, plant and equipment	2,693	24,603
Intangible asset	1,000	1,000
Investment properties	849,501	736,605
Investments	-	1,894
Investment in a joint venture	15,635	-
Deferred tax asset	-	1,983
Current assets	33,319	28,159
Total Assets	902,148	794,244
Equity and Liabilities		
Equity attributable to the owners of the company	478,485	356,227
Non-controlling interests	122,432	132,227
Long term borrowings	222,850	234,038
Deferred tax liabilities	35,544	26,011
Current liabilities	42,837	45,901
Total Equity and Liabilities	902,148	794,244

ABRIDGED UN-AUDITED GROUP STATEMENT OF CASH FLOWS

	Six months Ended 30 June 2014 P'000	Six months Ended 30 June 2013 P'000
Cash flows from operating activities		
Profit from operations (continuing and discontinued)	26,773	27,543
Adjustment for non cash items	-	785
Working capital changes	(4,532)	(20,031)
Net finance costs paid	(11,205)	(12,343)
Investment income	1,656	177
Dividend and debenture interest	(8,959)	(13,492)
Taxation paid	128	(414)
Net cash (used in)/generated from operations	3,861	(17,775)
Purchase of property, plant and equipment	(1,586)	(158)
Improvements to investment properties	(70)	(3,662)
Proceeds from sale of investment property	-	26,500
Purchase of investment property	-	(11,500)
Investment in subsidiaries	-	172
Share of Loss in Joint Venture	1,439	-
Net loans (repaid)/raised	(11,188)	(2,518)
Issue of ordinary shares and debentures	3,269	3,880
Additional capital from non-controlling interests	-	5,889
Net movement in cash and cash equivalents	(8,136)	868
Cash and cash equivalents beginning of the period	(9,413)	(9,413)
Cash and cash equivalents end of the period	(13,688)	(8,545)

ABRIDGED UN-AUDITED GROUP STATEMENT OF CHANGES IN EQUITY

	June 14 P'000	June 13 P'000
Balance brought forward	488,294	340,266
Capitalisation issue	3,269	3,880
Total distribution to the owners of the company	(8,959)	(13,492)
Net movement attributable to the owners of the company	128,108	110,943
Net movement attributable to non-controlling interests	(9,795)	46,697
Balance at period end	600,917	488,294

Comments and prospects

We are pleased to present the RDC Properties Limited abridged un-audited financial results for the half year ended 30 June 2014. The property market in Botswana is becoming more competitive especially within Gaborone as a result of the increased supply of available office and retail space.

There is a growing interest from stakeholders in relocating from the Main Mall and other areas to the new CBD. The strategic positioning of Masa Centre in the new CBD and its mixed-use nature will enable the Group to benefit from this concentration of businesses in the new CBD. The Centre has now established itself as a preferred destination for business travellers in Botswana looking for a one stop environment to meet their business and entertainment requirements.

The Company is pleased to announce that among other resolutions, at the Extraordinary General Meeting of 25th June 2014, under Special Business the following was agreed:-

1. To amend the Company's Memorandum of Association by amending Paragraph 1(a)
2. To amend the company's Articles of association

Signed minutes of the Extraordinary General Meeting are available at the company's head office.

We are pleased to confirm that the Board has agreed to allow the management to implement the strategy of investing in prime residential areas, and the company has identified few opportunities to that effect. In order to take advantage of the demand, the company is exploring the possibility to increase the hospitality offering of the Masa Centre thus removing from the available space approximately 2000 sqm of offices space and converting it to serviced apartments.

In terms of new projects, the Company has received the approval from the authorities for the development of mini industrial units on its plot in Gaborone West and is presently developing them. The project is well on track both in terms of budget and time.

Financial results and highlights

The results of the Group have continued to rise and this trend will continue as Masa Centre strives for 100% occupancy. The revenue increased by 25% to P37,978 million (2013: P30,462 million). The profit from operations increased by 6% to P26,773 million (2013: P25,350 million). The profit before tax increased by 20% to 15,568 million (2013: P13,007 million). Finance costs this year decreased to P11,205 million (2013: P12,343 million) as the Group continues to pay back on its loans.

The investment and property portfolio increased by 14% to P868,829 million (2013: P764,102 million).

Following the 2013 Company's interim and final distribution by way of capitalisation options which took place in March 2014 and April 2014, the linked units in issue are now 222,182,055 with 845,577 linked units listed on the 25th of July 2014.

Directors

The Board has appointed Lesang Magang as Lead Independent Non-executive Director, and Kate Maphage has been appointed to the Audit Committee.

Distribution to linked unit holders

Notice is hereby given that an interim dividend of **0.054** thebe per share and interest of **2.717** thebe per debenture has been declared. This dividend and interest will be payable on the 29th October 2014 to those linked unit holders registered at the close of business on 23rd October 2014. 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 per quarter, will be deducted wherever applicable.

By order of the Board

G. R. Giachetti, Executive Chairman
Gaborone 8 August 2014