



# 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, GW Matenge, JS Stewart\*\*

\* Italian \*\* British



## HIGHLIGHTS –UNAUDITED Preliminary Financial results for the year ended 31 December 2009

- REVENUE UP 3.41%; PROFIT FROM OPERATIONS UP BY 21.17%; NET PROFIT BEFORE DEBENTURE INTEREST UP BY 45.08%;
- TOTAL DISTRIBUTION TO LINKED UNIT HOLDERS UP 9.27%;
- INVESTMENT AND PROPERTY PORTFOLIO UP BY 58.16%, NOW STANDS AT P 363.825 million
- PROJECTS IN PROGRESS: - MASA CENTRE development progressing well, ISALO ROCK LODGE opening 1<sup>st</sup> June 2010

### ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME

|   | (Un audited)<br>31-Dec-2009<br>P000's | 31-Dec-2008<br>P000's |               |
|---|---------------------------------------|-----------------------|---------------|
| Revenue   | 29,173                                | 28,209                | 3.41%         |
| Operating expenses  | (7,422)                               | (7,887)               |               |
| Finance costs   | (4,205)                               | (5,842)               |               |
| <b>Profit from operations</b>                                       | <b>17,546</b>                         | <b>14,480</b>         | <b>21.17%</b> |
| Other income  | 1,354                                 | 1,523                 |               |
| <b>Profit before fair value adjustments &amp; exceptional items</b> | <b>18,900</b>                         | <b>16,003</b>         | <b>18.10%</b> |
| Exchange (loss)/gain  | (1,638)                               | 1,130                 |               |
| Surplus on revaluation of investment properties                     | 25,690                                | 12,471                |               |
| <b>Profit before tax</b>  | <b>42,952</b>                         | <b>29,604</b>         | <b>45.08%</b> |
| Income tax expense  | (8,609)                               | (3,236)               |               |
| <b>Profit for the year</b>  | <b>34,343</b>                         | <b>26,368</b>         | <b>30.24%</b> |
| <b>Other comprehensive income</b>                                   |                                       |                       |               |
| Exchange differences on translating foreign operations              | (1,119)                               | 992                   |               |
| <b>Total comprehensive income for the year</b>                      | <b>33,224</b>                         | <b>27,360</b>         |               |
| <b>Total comprehensive income for the year attributable to:</b>     |                                       |                       |               |
| -Non-controlling interests  | 3,059                                 | 2,293                 |               |
| -Equity holders of the parent                                       | <u>30,165</u>                         | <u>25,067</u>         | <b>20.33%</b> |
|   | <b>33,224</b>                         | <b>27,360</b>         |               |
| Average weighted number of linked units in issue                    | 32,948,740                            | 32,372,329            |               |
| <b>Earnings per linked unit (thebe)</b>                             | <b>91.55</b>                          | <b>77.43</b>          |               |
| Interim dividend (thebe)  | 0.27                                  | 0.23                  |               |
| Interim debenture interest (thebe)                                  | 13.32                                 | 11.49                 |               |
| Final Dividend (thebe)  | 0.40                                  | 0.39                  |               |
| Final debenture interest (thebe)                                    | <u>19.77</u>                          | <u>19.33</u>          |               |
| <b>Total distribution</b>   | <b>33.76</b>                          | <b>31.44</b>          |               |

### ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| <b>Assets</b>                       |                |                |
| Property, Plant and equipment       | 153,375        | 39,107         |
| Intangible Assets                   | 1,000          | 1,000          |
| Investment properties               | 206,705        | 182,760        |
| Investments                         | 2,745          | 7,162          |
| Current assets                      | <u>18,805</u>  | <u>14,418</u>  |
| <b>Total Assets</b>                 | <b>382,630</b> | <b>244,447</b> |
| <b>Equity and Liabilities</b>       |                |                |
| Unitholders' funds                  | 146,760        | 125,631        |
| Non-controlling interests           | 62,522         | 27,939         |
| Long term borrowings                | 106,938        | 51,743         |
| Deferred taxation                   | 25,696         | 17,939         |
| Current liabilities                 | <u>40,714</u>  | <u>21,195</u>  |
| <b>Total equity and liabilities</b> | <b>382,630</b> | <b>244,447</b> |

### ABRIDGED GROUP STATEMENT OF CASH FLOWS

|   |                |               |
|---|----------------|---------------|
| Profit from operations                                      | 46,213         | 34,571        |
| Adjustment for non cash items                               | (23,138)       | (13,229)      |
| Working capital changes                                     | 9,038          | 1,896         |
| Interest paid   | (4,205)        | (5,842)       |
| Investment income   | 944            | 874           |
| Dividend and debenture interest paid                        | (10,852)       | (8,909)       |
| Taxation paid   | (629)          | (689)         |
| <b>Cash generated from operations</b>                       | <b>17,371</b>  | <b>8,672</b>  |
| Purchase of plant and equipment                             | (111,676)      | (27,577)      |
| Purchase of intangible assets                               | -              | (1,000)       |
| Net movement in investments in subsidiaries                 | 4,246          | (2,929)       |
| Net movements in loans                                      | 57,556         | 6,496         |
| Proceeds from issue of linked units                         | 1,815          | -             |
| Addition capital from non-controlling interests             | <u>28,815</u>  | <u>16,716</u> |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | <b>(1,873)</b> | <b>378</b>    |
| Cash and cash equivalents beginning of the year             | <u>104</u>     | <u>(274)</u>  |
| <b>Cash and cash equivalents end of the year</b>            | <b>(1,769)</b> | <b>104</b>    |

### ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

|                               |                |                |
|-------------------------------|----------------|----------------|
| Balance brought forward       | 153,570        | 118,404        |
| Capitalisation issue          | 1,815          | -              |
| Net movement in distribution  | (10,852)       | (8,909)        |
| Equity holders of the parent  | 30,165         | 25,065         |
| Non-controlling interests     | <u>34,584</u>  | <u>19,010</u>  |
| <b>Balance at 31 Dec 2009</b> | <b>209,282</b> | <b>153,570</b> |

### AUDITOR'S REVIEW

Our auditors Deloitte & Touche are in the process of finalising their audit of the financial statements.

### COMMENTS and PROSPECTS

We are pleased to present the RDC Properties Limited Reviewed Un-audited Preliminary Financial results for the period ended 31 December 2009. We are pleased to report a very active year for the Group across all its activities from developments, to the property management and rental collections. During the year, the Group has performed very well as we have been able to grow both the portfolio and the rental income; the property portfolio grew by 58.16% to P363.825 million (2008: P230.029 million) and the gross income by 3.41% to P29.173 million (2008: P28.209 million) despite the fact that there was no income from Professional House. The vacancy of the portfolio as at December 2009 was at 1.17% and has further decreased to 0.88%.

Profit before fair value adjustments & exceptional items increased by 18.10% to P18,900 million (2008: P16,003 million), profit before tax, increased substantially by 45.08% at P42,952 million (2008: P29,604 million), although the Group recorded an exchange loss of P1,638 million arising from offshore investments in Madagascar, due to the appreciation of the Pula against USD during the last year.

We are happy to report a significant increase in distribution to linked-unit holders by 9.27%, to P11.122 million (2008: P10.178 million) due to the combined effect of the reduction in finance costs and the increase of the turnover.

Following the Directors proposal of an elective distribution of 50% of the net interim distribution by way of capitalisation option, unit holders holding 92.68% of the linked units eligible to receive capitalisation units elected to receive them. 576,411 new linked units were listed on the 30<sup>th</sup> October 2009. Following the issue of the new capitalisation units, the total units of the Company in issue are now 32,948,740.

The construction of the Masa Centre, is making significant progress, and it is envisaged that we will be transforming a "greenfield site" into the future "heart of Gaborone's cultural and social life"; the response, to this first multi-use property development in Botswana, located in Gaborone's New Central Business District, has been overwhelming and the development of this landmark will have a very strong impact on the Group in the years 2010/2011 and beyond.

A targeted marketing campaign is ongoing to ensure 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 will be opening to the public on the 1<sup>st</sup> June 2010. This 4-Star Lodge, in the proximity of the Isalo National Park will start contributing positively to the results of the Group in the year 2011. In order to cost effectively manage the Group's offshore investments, and in particular the Madagascar ones, the Group acquired a International Financial Services Company in Botswana. The Company RDC Properties International (Pty) Limited (RDCPI) is now the owner of 50% of Soci t  Immobili re d'Ambodivona SA (SIA) and 50% of HMS1 SA (HMS1), owners respectively of the Tana Waterfront and Isalo Rock Lodge. RDCP Mauritius Pty Limited has been closed.

### DISTRIBUTION TO LINKED UNIT HOLDERS

Notice is hereby given that an interim dividend of 0.40 thebe per share and interest of 19.77 thebe per debenture has been declared. This dividend and interest will be payable on the 25 June 2010 to those linked unit-holders registered at the close of business on 21 May 2010. 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 final distribution by way of capitalisation option. Details of this option will be circulated to unit holders. The option will open on the 24 May 2010 and will close on the 11 June 2010. The listing of the new units on the Botswana Stock Exchange and payment of Dividend and Debenture interest will occur on the 24 June 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 residents 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 March 30, 2010