



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, J.S Stewart**
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HIGHLIGHTS –Preliminary Announcement of the Audited Financial Results for the year ended 31 December 2010

- REVENUE UP 7.45%; PROFIT BEFORE FAIR VALUE ADJUSTMENTS AND EXCHANGE DIFFERENCES UP 35.15%
- TOTAL DISTRIBUTION TO LINKED UNIT HOLDERS UP 71.80%;
- INVESTMENT AND PROPERTY PORTFOLIO UP BY 28.33%, NOW STANDS AT P 470 million
- PROJECTS COMPLETED:- ISALO ROCK LODGE-MADAGASCAR – opened to the public 1 June 2010
- PROJECTS IN PROGRESS: - MASA CENTRE Development nearing completion

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME

	31-Dec-2010 P'000	31-Dec-2009 P'000	
Revenue	29,196	27,171	7.45%
Operating expenses	(8,767)	(6,761)	
Finance costs	(4,552)	(4,408)	
Profit from operations	15,877	16,002	
Other income	7,707	1,448	
Profit before fair value adjustments and exchange differences	23,584	17,450	35.15%
Exchange loss	(582)	(1,786)	
Surplus on revaluation of investment property	19,091	25,689	
Profit before tax	42,093	41,353	
Income tax expense	(10,568)	(11,569)	
Profit after tax for the year from continuing operations	31,525	29,784	5.85%
Discontinued operations			
(Loss)/profit from discontinued operations	(1,835)	2,642	
Profit for the year	29,690	32,426	
Other comprehensive income			
Exchange differences on translating foreign operations	(349)	(1,167)	
Total comprehensive income for the year	29,341	31,259	
Total comprehensive income for the year attributable to:			
-Non-controlling interests	1,176	3,086	
-Equity holders of the parent	28,165	28,173	
	29,341	31,259	
Number of linked units in issue at year end	33,541,022	32,948,740	
Average weighted number of linked units in issue	33,262,917	32,468,398	
Earnings per linked unit (thebe)	100.06	98.76	
Interim dividend (thebe)	0.31	0.27	
Interim debenture interest (thebe)	15.61	13.32	
Final dividend (thebe)	0.83	0.40	
Final debenture interest (thebe)	41.25	19.77	
Total distribution	58.00	33.76	71.80%

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	31-Dec-2010 P'000	31-Dec-2009 P'000	
Assets			
Plant and equipment	246,877	153,375	
Intangible assets	1,000	1,000	
Investment properties	219,313	208,739	
Investments	2,323	2,745	
Current assets	19,655	18,138	
Assets classified as held for sale	2,400	-	
Total Assets	491,568	383,997	
Equity and Liabilities			
Unitholders' funds			
Non-controlling interests	171,159	147,494	
Long term borrowings	68,292	62,545	
Deferred taxation	187,724	107,733	
Current liabilities	31,240	26,072	
Liabilities directly associated with assets classified as held for sale	32,175	40,153	
Total Equity and Liabilities	491,568	383,997	

ABRIDGED GROUP STATEMENT OF CASH FLOWS

	31-Dec-2010 P'000	31-Dec-2009 P'000	
Profit from operations (continuing and discontinued)	44,648	48,029	
Adjustment for non cash items	(16,407)	(24,882)	
Working capital changes	(12,396)	9,768	
Net interest paid	(18,578)	(10,976)	
Investment income	847	944	
Dividend and debenture interest paid	(11,986)	(10,851)	
Taxation paid	(939)	(622)	
Cash (used)/generated from operations	(14,811)	11,403	
Purchase of plant and equipment	(78,230)	(108,277)	
Improvements to investment properties	(901)	-	
Proceeds from sale of investment properties	7,250	-	
Investments in subsidiaries	251	4,246	
Net loans raised	83,631	57,506	
Proceeds from issue of linked units	2,718	1,815	
Additional capital from non-controlling interests	4,571	31,520	
Net increase/(decrease) in cash and cash equivalents	4,479	(1,787)	
Cash and cash equivalents beginning of the year	(1,683)	104	
Cash and cash equivalents end of the year	2,796	(1,683)	

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

	31-Dec-2010 P'000	31-Dec-2009 P'000
Balance brought forward	210,039	153,570
Capitalisation issue	2,718	1,815
Net movement in distribution	(11,986)	(10,851)
Equity holders of the parent	32,933	30,899
Non-controlling interests	5,747	34,606
Balance at year end	239,451	210,039

COMMENTS and PROSPECTS

We are pleased to present the RDC Properties Limited preliminary financial results for the year ended 31 December 2010. With the Botswana economy recovering and the property market continuing to be stable during the year, the Group has once again achieved growth in both the gross revenue and property portfolio. The Group's gross revenue increased by 7.45% to P29.196 million (2009: P27.171 million) and the property portfolio grew by 28.33% to P469.513 million (2009: P365.859 million). Profit before fair value adjustments & exchange differences increased by 35.15% to P23.584 million (2009: P17.450 million).

The construction of **Masa Centre**, which has attracted a significant number of major retailers and international brands, continued for the whole year and we are pleased to confirm the signing of a long term lease with a company operating the Masa Casino, under the management expertise of the well known operator, Gold Reef Resorts. This will enhance the entertainment offering of the centre. The works on the centre are anticipated to be completed by the 30th of June 2011 as they suffered setbacks related to difficulties in the procurement of some finishing elements and continuous changes of requirements from African Sun Limited (operators of the Holiday Inn), instigated by the stringent standards imposed by the Intercontinental Hotel Group. For more information on letting opportunities for office space, contact: masacentre@rdc.bw; www.masacentre.com

The Group holds a 50% share holding in a company, Societe Immobiliere D'Ambodivona Sarl (SIA) based in Madagascar which owned a property in Antananarivo known as the TanaWaterfront. This property was disposed of during the year and this disposal has been disclosed as discontinued operations in the results of the Group.

The company signed a 15 years lease with the Delegation of the European Commission. This lease is the longest ever signed by the company and is denominated in Euro. The terms of the lease are such that we are assured of growth and a small hedge on currency risks.

During the year the company entered into a consultancy agreement for the provision of project management skills and assistance with financing arrangements. This agreement led to the identification of the acquirer of the SIA Madagascar property. The exceptional income generated from this consultancy agreement has been included in other income and has resulted in a significant increase in the distribution proposed by the company for the 2010 year. We are pleased to report a significant increase in the distribution to linked-unit holders of 71.80%.

The **Isalo Rock Lodge**, the Group's latest development in Madagascar opened to the public on the 1st June 2010. This 4**** Lodge, in the proximity of the Isalo National Park, has had some very good reviews from guests in the first few months of operation. However, the tourism season was very slow during the year 2010 which resulted in a loss for its first period of trading. It is anticipated that 2011 will see a significant increase in tourism but positive results for the Lodge are only expected from 2012. For more information visit www.isalorocklodge.

DISTRIBUTION TO LINKED UNIT HOLDERS

Notice is hereby given that the final dividend of **0.83** thebe per share and interest of **41.25** thebe per debenture has been declared. This dividend and interest will be payable on the 27th of May 2011 to those linked unit-holders registered at the close of business on 21st of April 2011. **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 26th of April 2011 and will close on the 13th of May 2011. The listing of the new units on the Botswana Stock Exchange will occur on the 20th of May 2011.** 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 the Seventh Schedule to the Income Tax Act, withholding tax of 10% on interest to residents for amounts in excess of P1,500.00 per quarter, will be deducted wherever applicable.

AUDITOR'S OPINION

The auditors, Deloitte & Touche, have issued their opinion on the group's financial statements for the year ended 31 December 2010. The audit was conducted in accordance with International Standards of Auditing. They have issued an unmodified audit opinion. These summarised provisional financial statements have been derived from the group financial statements. A copy of their audit report is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the Company's auditors.

By order of the Board
G.R Giachetti, Executive Chairman
Gaborone 29 March 2011

