



RDC PROPERTIES LIMITED

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

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HIGHLIGHTS –Un-audited Financial Results for the half year ended 30 June 2011

- PROFIT BEFORE TAX UP 6.12%
- INVESTMENT AND PROPERTY PORTFOLIO UP BY 30.41%, NOW STANDS AT P508 million
- PROJECTS IN PROGRESS: - MASA CENTRE Development nearing completion – revenue expected in quarter four.

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Un-audited 30-June-2011 P'000	Un-audited 30-June-2010 P'000	
Revenue	15,352	15,393	-0.27%
Operating expenses	(5,397)	(3,315)	
Finance costs	(2,100)	(2,035)	
Profit from operations	7,855	10,043	-21.79%
Other income	1,021	404	
Profit before fair value adjustments and exchange differences	8,876	10,447	
Exchange gain/(loss)	1,197	(955)	
Profit before tax	10,073	9,492	6.12%
Income tax (expense)/credit	(86)	195	
Profit after tax for the year from continuing operations	9,987	9,687	
Discontinued operations			
Profit from discontinued operations	35	500	
Profit for the year	10,022	10,187	
Other comprehensive income			
Exchange differences on translating foreign operations	(428)	(1,194)	
Total comprehensive income for the year	9,594	8,993	6.69%
Total comprehensive income for the year attributable to:			
-Non-controlling interests	712	1,073	
-Equity holders of the parent	8,882	7,920	
	9,594	8,993	
Number of linked units in issue at year end	34,544,029	33,541,022	
Average weighted number of linked units in issue	33,642,697	32,958,476	
Earnings per linked unit (thebe)	26.05	24.03	
Interim dividend (thebe)	0.32	0.31	
Interim debenture interest (thebe)	15.82	15.61	
Total distribution	16.14	15.92	1.38%

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	Un-audited 30-June-2011 P'000	Un-audited 30-June-2010 P'000	
Assets			
Plant and equipment	285,740	186,834	
Intangible assets	1,000	1,000	
Investment properties	219,312	200,226	
Investments	2,237	2,408	
Current assets	21,736	16,997	
Assets classified as held for sale	1,245	9,912	
Total Assets	531,270	417,377	
Equity and Liabilities			
Unitholders' funds	171,890	150,839	
Non-controlling interests	71,401	67,542	
Long term borrowings	220,604	132,749	
Deferred taxation	31,006	25,783	
Current liabilities	35,574	37,937	
Liabilities directly associated with assets classified as held for sale	795	2,527	
Total Equity and Liabilities	531,270	417,377	

ABRIDGED GROUP STATEMENT OF CASH FLOWS

	Un-audited 30-June-2011 P'000	Un-audited 30-June-2010 P'000	
Profit from operations (continuing and discontinued)	12,069	12,825	
Adjustment for non cash items	780	188	
Working capital changes	(15,503)	1,708	
Net interest paid	(2,090)	(2,192)	
Investment income	568	404	
Dividend and debenture interest paid	(19,453)	(10,258)	
Taxation paid	(339)	(121)	
Cash (used)/generated from operations	(23,968)	2,554	
Purchase of plant and equipment	(79,078)	(106,617)	
Investments in subsidiaries	172	6,648	
Net loans raised	82,864	67,028	
Proceeds from issue of linked units	5,687	4,534	
Additional capital from non-controlling interests	3,146	21,806	
Net decrease in cash and cash equivalents	(11,177)	(4,047)	
Cash and cash equivalents beginning of the period	(484)	3,563	
Cash and cash equivalents end of the period	(11,661)	(484)	

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

	30-June-2011 P'000	30-June-2010 P'000
Balance brought forward	218,381	171,462
Capitalisation issue	5,687	4,534
Net movement in distribution	(19,453)	(10,258)
Equity holders of the parent	34,817	30,837
Non-controlling interests	3,859	21,806
Balance at year end	243,291	218,381

COMMENTS and PROSPECTS

We are pleased to present the RDC Properties Limited un-audited financial results for the half year ended 30 June 2011. The Group has shown a solid set of results in line with expectation and with a significant growth in the property portfolio, despite the missing revenue due to the disposal of our shopping arcade in Madagascar and the lack of contribution of the Isalo Rock Lodge, due to the low level of tourist as a result of the unsettled political situation.

The Group's gross revenue remains unchanged at P15,352 million (2010: P15,393 million) due to the combined effect of few concessions given to tenants in order to secure long term leases and exceptional income received during the first half of 2010. Profit from operations decreased by 21.79% to P7,855 million (2010: P10,043 million). The substantial increase in operating expenses is due to the inclusion of the expenses related to the Isalo Rock Lodge (P1.6 million out of P5.4 million), which last year was not operating. However this increase was mitigated by the increases in other income and exchange gains resulting in an increase in profit before tax of 6.12% to P10,073 million (2010: P9,492 million). The property portfolio grew by 30.41% to P508,289 million (2010: P390,469 million).

Following the Company's final distribution by way of capitalisation option, which took place in May 2011, the company's total linked-units in issue is now 33,544,029. The distribution to the linked-unit holders has increased by 1.38% in line with the results of the Group.

The construction of **Masa Centre**, which has attracted a significant number of major retailers and international brands has made significant progress and is nearly completed. The project suffered a few setbacks related to difficulties in procuring some finishing elements and continuous change of requirements from African Sun Limited, instigated by the stringent standards imposed by the Intercontinental Hotel Group. However, these issues have been positively resolved and it is now anticipated that the works on the project will be completed in the third quarter of the year, with revenue flowing to the Group during the fourth quarter. Cost of the project is monitored closely and we are confident that the internal rate of return of the project will be higher than originally expected. For more information on letting opportunities for office space, contact: masacentre@rdc.bw; www.masacentre.com

As previously reported, the Group holds a 50% shareholding in a company, Societe Immobiliere D'Ambodivona Sarl (SIA) in Madagascar, which owned a shopping arcade in Antananarivo, known as the TanaWaterfront. This property was disposed of in September 2010 and this disposal has been disclosed as discontinued operations in the results of the Group. During this reporting period, the company received some amounts that had been held in deposit against possible exchange fluctuations.

The uncertain political situation in Madagascar continues to impact negatively on the flow of tourists into the country which, we are informed, has caused a reduction in excess of 80% of the pre-crisis flows. Despite the lack of revenue, all measures have been taken to reduce costs and adapt to the seasonality of the business. **Isalo Rock Lodge**, the Group's development in Madagascar, has earned a magnificent reputation both for service and as a product. We are confident that results will be improving as we get into the busy tourism period in the second half of the year. We are also confident that a political resolution to the crisis will be reached and we should witness positive results for the Lodge from 2012. For more information visit www.isalorocklodge.

DISTRIBUTION TO LINKED UNIT HOLDERS

Notice is hereby given that an interim dividend of 0.32 thebe per share and interest of 15.82 thebe per debenture has been declared. This dividend and interest will be payable on the 28th of October 2011 to those linked unit-holders registered at the close of business on 21st of October 2011. In terms of the Republic of 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 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 18 August 2011