



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*
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HIGHLIGHTS –ANNOUNCEMENT OF THE ABRIDGED UN-AUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2013

- REVENUE UP 59%
- PROFIT FROM OPERATIONS UP 74%
- PROFIT BEFORE TAX UP 13%
- INVESTMENT AND PROPERTY PORTFOLIO UP BY 14%, NOW STANDS AT P764 million

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013	2013 P'000	2012 P'000	
Revenue	30,462	19,145	59%
Operating expenses	(9,245)	(5,782)	
Other operating income	308	526	
Net foreign exchange gains	3,825	675	
Profit from operations	25,350	14,564	74%
Net finance costs	(12,343)	(3,034)	
Profit before tax	13,007	11,530	13%
Income tax expense	(325)	(291)	
Profit for the period from continuing operations	12,682	11,239	13%
Discontinued operations			
Loss from discontinued operations	-	(14)	
Profit for the period	12,682	11,225	
Other comprehensive income			
Exchange differences on translation of foreign operations	(2,369)	(414)	
Total comprehensive income for the period	10,313	10,811	
Profit for the period attributable to:			
Owners of the company	10,153	9,354	
Non-controlling interest	2,529	1,871	
	12,682	11,225	
Number of linked units in issue at period end	35,653,252	35,033,129	
Average weighted number of linked units in issue	35,316,066	34,586,909	
Earnings per linked unit (thebe)	28.75	27.04	
Interim dividend (thebe)	0.32	0.33	
Interim debenture interest (thebe)	16.21	16.38	
Total distribution (thebe)	16.53	16.71	

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

As at 30 June 2013	2013 P'000	2012 P'000
Assets		
Property, plant and equipment	24,603	23,049
Intangible asset	1,000	1,000
Investment properties	736,605	642,905
Investments	1,894	2,065
Deferred tax asset	1,983	1,755
Current assets	28,159	18,883
Assets classified as held for sale	-	281
Total Assets	794,244	689,938
Equity and Liabilities		
Equity attributable to the owners of the company	356,227	254,896
Non-controlling interests	132,067	85,370
Long term borrowings	234,038	237,192
Deferred tax liabilities	26,011	55,355
Current liabilities	45,901	56,686
Liabilities directly associated with assets classified as held for sale	-	439
Total Equity and Liabilities	794,244	689,938

ABRIDGED GROUP STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013	2013 P'000	2012 P'000
Cash flows from operating activities		
Profit from operations (continuing and discontinued)	27,543	14,545
Adjustment for non cash items	785	728
Working capital changes	(20,031)	13,546
Net finance costs paid	(12,343)	(3,034)
Investment income	177	418
Dividend and debenture interest	(13,492)	(15,041)
Taxation paid	(414)	(465)
Net cash (used in)/generated from operations	<u>(17,775)</u>	<u>10,697</u>
Purchase of property, plant and equipment	(158)	(29,603)
Improvements to investment properties	(3,622)	-
Proceeds from sale of investment property	26,500	-
Purchase of investment property	(11,500)	-
Investment in subsidiaries	172	172
Net loans (repaid)/raised	(2,518)	11,482
Issue of ordinary shares and debentures	3,880	2,988
Additional capital from non-controlling interests	5,889	6,512
Net movement in cash and cash equivalents	868	2,248
Cash and cash equivalents beginning of the period	(9,413)	(11,661)
Cash and cash equivalents end of the period	(8,545)	(9,413)

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013	2013 P'000	2012 P'000
Balance brought forward	340,266	243,291
Capitalisation issue	3,880	2,988
Total distribution to the owners of the company	(13,492)	(15,041)
Net movement attributable to the owners of the company	110,943	95,059
Net movement attributable to non-controlling interests	46,697	13,969
Balance at period end	488,294	340,266

Comments and prospects

We are pleased to present the RDC Properties Limited abridged un-audited financial results for the half year ended 30 June 2013. 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 Annual General Meeting of 12 September 2013 effective 1 October 2013, under Special Business:-

- (1) The Company acquired the property and letting enterprise conducted on the land Lease 4-RO Kasane, property known as Chobe Marina Lodge for a consideration discharged by the issue of linked units 6 957 108 at P8 per unit;
- (2) The Company acquired by amalgamation the 50% of Tholo (Pty) Ltd and the settlement of the 50% interest of Shakawe (Pty) Ltd for 1 458 618 linked units at P8 per unit and assumption of debt of approximately P6 049 339;
- (3) That each linked unit in issue after the transactions set out before have been completed, be subdivided by 5, i.e. 5 new linked units be issued for each linked unit in issue.

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.

Financial results and highlights

The results of the Group have been influenced positively by Masa Centre and this trend will continue as the Centre strives for 100% occupancy. The revenue increased by 59% to P30,462 million (2012: P19,145 million). The profit from operations increased by 74% to P25,350 million (2012: P14,564 million). The profit before tax increased by 13% to P13,007 million (2012: P11,530 million) at the back of a 307% increase in net finance costs to P12,343 million (2012: P3,034 million) caused by expensing of borrowing costs which were previously capitalised in the Masa Centre development.

The investment and property portfolio increased by 14% to P764,102 million (2012: P669,019 million) with Masa Centre being recognised as an investment property at fair value. The property known as Plaza on Lots 4787 and 4788 Gaborone, was sold at the end of January 2013 for a net consideration of P26,5 million. Part of the proceeds were used to purchase Realstate Office Park on Plot 5624 Gaborone, for a consideration of P11,5 million. The Group is exploring new opportunities regionally and locally in the residential subsectors of the property market.

Following the 2012 Company's interim and final distribution by way of capitalisation options which took place in October 2012 and April 2013, the linked units in issue are now 35,653,252. 324,358 linked units were listed on the 24th of October 2012 and 295,765 linked units were listed on the 17th of April 2013.

Directors

The board of directors is pleased to announce the appointment of both Mr. M. C. Tibone as a non-executive independent director and Mr. J. Pari as an executive director to the board with effect from 12 September 2013. Mr. N. N. Gaolathe and Ms. J. S. Stewart resigned from the board effective 30 April 2013 and 30 June 2013 respectively. The board takes this opportunity to thank both Mr. N. N. Gaolathe and Ms. J. S. Stewart for their tireless contribution to the Group during their tenures.

Distribution to linked unit holders

Notice is hereby given that an interim dividend of 0.32 thebe per share and interest of 16.21 thebe per debenture has been declared. This dividend and interest will be payable on the 8th of November 2013 to those linked unit holders registered at the close of business on 11th of October 2013. **The distribution will be based on the split linked units and will be divided by 5, being the linked unit split ratio. Accordingly the dividend amount of 0.32 thebe per share will be converted and paid as 0.064 thebe per share and the debenture interest of 16.21 thebe per debenture will be converted and paid as 3.242 thebe per debenture.** 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 25 September 2013

