

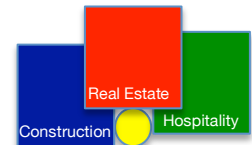


RDC PROPERTIES LIMITED

Po Box 405391, Gaborone, Botswana
Plot 5624, Lejara Road, Broadhurst Industrial, Gaborone, Botswana,

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

Directors: G R Giachetti (Chairman)*, G Giachetti*, K Jefferis, L Magang, K C Maphage, J Pari*, C Tibone
* Italian



Member of the:

Realestate Group

HIGHLIGHTS –ANNOUNCEMENT OF THE ABRIDGED UN-AUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2015

- **PROFIT BEFORE TAX UP 19%,**
- **EARNINGS PER LINKED UNIT UP 29%**
- **DISTRIBUTION PER LINKED UNIT UP 39%**
- **REGIONAL DIVERSIFICATION OF INVESTMENTS UNDER WAY – AGREEMENT SIGNED FOR DEVELOPMENT IN CAPE TOWN CBD**

ABRIDGED UN-AUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Six months Ended 30 June 2015 P'000	Six months Ended 30 June 2014 P'000	
Revenue	39,603	37,978	4%
Operating expenses	(10,047)	(10,057)	
Other operating income	-	1,195	
Loss arising from joint venture	(1,234)	(1,439)	
Net foreign exchange losses	(859)	(904)	
Profit from operations	27,463	26,773	6%
Net finance costs	(9,013)	(11,205)	
Profit before tax	18,450	15,568	19%
Income tax credit (expense)	258	(140)	
Profit for the period	18,708	15,428	21%
<i>Other comprehensive income</i>			
Exchange differences on translation of foreign operations	1,336	-	
Total comprehensive income for the period	20,044	15,428	
Profit for the period attributable to:			
Owners of the company	14,224	11,021	
Non-controlling interest	4,484	4,407	
	18,708	15,428	
Number of linked units in issue at period end	222,182,055	222,182,055	
Earnings per linked unit (thebe)	6.40	4.96	29%
Interim dividend (thebe)	0.076	0.054	
Interim debenture interest (thebe)	3.783	2.717	
Total distribution (thebe)	3.859	2.771	39%

ABRIDGED UN-AUDITED GROUP STATEMENT OF FINANCIAL POSITION

	2015 P'000	2014 P'000
Assets		
Property, plant and equipment	1,274	1,343
Intangible asset	1,000	1,000
Investment properties	934,797	850,851
Investment in a joint venture	26,102	15,635
Long-term trade and other receivables	4,460	-
Current assets	32,453	33,319
Total Assets	1,000,086	902,148
Equity and Liabilities		
Equity attributable to the owners of the company	551,298	478,485
Non-controlling interests	141,412	122,432
Long term borrowings	209,039	222,850
Deferred tax liabilities	44,961	35,544
Current liabilities	53,376	42,837
Total Equity and Liabilities	1,000,086	902,148

ABRIDGED UN-AUDITED GROUP STATEMENT OF CASH FLOWS

	Six months Ended 30 June 2015 P'000	Six months Ended 30 June 2014 P'000
Cash flows from operating activities		
Profit from operations	27,463	26,773
Adjustment for non cash items	21	-
Working capital changes	(2,286)	(4,532)
Net finance costs paid	(9,013)	(11,205)
Investment income	-	1,656
Dividend and debenture interest	(13,308)	(8,959)
Taxation (paid)/recovered	(446)	128
Net cash generated from operations	2,431	3,861
Improvements to investment properties	(2,889)	(1,656)
Share of loss in a joint venture	1,234	1,439
Net loans repaid	(2,372)	(11,188)
Issue of ordinary shares and debentures	-	3,269
Net movement in cash and cash equivalents	(1,596)	(4,275)
Cash and cash equivalents beginning of the period	(9,744)	(9,020)
Cash and cash equivalents end of the period	(11,340)	(13,295)

ABRIDGED UN-AUDITED GROUP STATEMENT OF CHANGES IN EQUITY

	June 15 P'000	June 14 P'000
Balance brought forward	600,917	488,294
Capitalisation issue	-	3,269
Total distribution to the owners of the company	(13,308)	(8,959)
Net movement attributable to the owners of the company	124,081	128,108
Net movement attributable to non-controlling interests	(18,980)	(9,795)
Balance at period end	692,710	600,917

Comments and prospects

We are pleased to present the RDC Properties Limited abridged un-audited financial results for the half year ended 30 June 2015. The recent IPD Botswana Annual Property Index 2014 report shows a decline in the Botswana property market total unearned return from 21.5% in 2013 to 11.5% in 2014, we are pleased to report that the company's return for the same period was 15.5%.

Masa Centre continues to perform very well and the revenue has increased 12% to P18.4 million (2014: P16.5 million). This is due to rental escalations, the growth of the Lansmore Masa Square Hotel turnover rental and reduced vacancies at the Centre. The 2016 will witness the opening of the new Masa Suites as the project has now received all authorities approvals and work has started.

We are also pleased to report that vacancies over the whole portfolio have decreased from 5.22% at December 2014 to 3.67% as at June 2015. Masa Centre now only contributes 47% of the vacancies (December 2014: 69%).

The Gaborone West Warehouse project is in line for completion end September 2015 and will be within budget.

The ICC Flats acquisition was approved in May 2015. All designs for the proposed construction of 45 apartments have been completed and council approvals obtained. Construction will commence once funding is in place and the negotiations for the construction is completed.

The group continues to seek regional expansion opportunities and is currently considering development projects in South Africa, Namibia and Mozambique. We are pleased to report that an Memorandum of Understanding has been concluded with the owners of prime land in the CBD of Cape Town. Consultants have been appointed and the project will consist of a 3/4 star hotel development with more than 180 rooms and conference facilities.

Financial results and highlights

The results of the group are very pleasing and we are positive for the years to come as the effect of the Masa Centre and new developments will underpin the growth of the group.

The revenue increased by 4% to P39.6 million (2014: P38.0 million). The profit from operations increased by 6% to P27.5 million (2014: P26.8 million). The profit before tax increased by 19% to 18.5 million (2014: P15.7 million). Finance costs this year decreased to P9.0 million (2014: P11.2 million) due the group repaying its loans, the reduction in the prime interest rates and the renegotiation of the interest rates on long-term promissory notes in the second half of 2014.

The investment and property portfolio increased by 11% to P963.2 million (2014: P868.8 million).

Directors

The Board has appointed Mr John Hinchliffe as Chairman of the Audit Committee. Mr Hinchliffe replaces Mr Robert Matthews. The Board would like to thank Mr Robert Matthews for his professional advice in setting up the Audit Committee and his leadership of the Committee over the years.

Distribution to linked unit holders

Notice is hereby given that an interim dividend of **0.076** thebe per ordinary share and interest of **3.783** thebe per debenture has been declared. This dividend and interest will be payable on 30 October 2015 to those linked unit holders registered at the close of business on 16 October 2015. 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 12 August 2015