



# NEW AFRICAN PROPERTIES

## NEW AFRICAN PROPERTIES LTD

(previously New African Properties (Proprietary) Limited)

“the Company” or “New African Properties” or “NAP”

Incorporated in the Republic of Botswana, Company No. Co 2008/545

BSE share code: NAP; ISIN code: BW 000 000 1049

## UNAUDITED INTERIM FINANCIAL RESULTS FOR THE 6 MONTHS ENDED 31 JANUARY 2012

### ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the 6 months to 31 January 2012

|   | P000's             |
|---|--------------------|
| Revenue                                     | 55,982             |
| Contractual lease rental                    | 56,116             |
| Rental straight line adjustment             | (134)              |
| Other income                                | 658                |
| Operating expenses                          | (10,852)           |
| <b>Operating profit</b>                     | <b>45,788</b>      |
| Net investment income                       | 944                |
| <b>Profit before fair value adjustments</b> | <b>46,732</b>      |
| Investment property fair value adjustment   | 37,880             |
| Per valuations                              | 37,746             |
| Rental straight line adjustment             | 134                |
| <b>Profit before taxation</b>               | <b>84,612</b>      |
| Taxation                                    | (8,213)            |
| Current taxation                            | (3,181)            |
| Deferred taxation                           | (5,032)            |
| Profit after taxation                       | 76,399             |
| Other comprehensive income                  |                    |
| Currency translation difference             | (1,517)            |
| <b>Total comprehensive income</b>           | <b>74,882</b>      |
| <b>Linked units in issue</b>                | <b>604,397,124</b> |
| <b>Earnings per linked unit (thebe)</b>     | <b>12.64</b>       |
| <b>Distribution per unit (thebe)</b>        | <b>6.14</b>        |
| <b>Interest</b>                             | <b>6.14</b>        |
| <b>Dividend</b>                             | <b>0.27</b>        |
| - subject to withholding tax                | 0.27               |
| - not subject to withholding tax            | 0.82               |
| <b>Total</b>                                | <b>7.23</b>        |

### ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 January 2012

|                                     | P000's           |
|-------------------------------------|------------------|
| <b>ASSETS</b>                       |                  |
| <b>Non-current assets</b>           |                  |
| Investment property                 | 898,321          |
| At valuation                        | 912,033          |
| Rental straight line adjustment     | (13,712)         |
| Financial asset                     | 32,976           |
| Rental straight line adjustment     | 10,298           |
|                                     | <b>941,595</b>   |
| <b>Current assets</b>               |                  |
| Trade and other receivables         | 7,599            |
| Related party receivable            | 29,290           |
| Tax receivable                      | 1,103            |
| Rental straight line adjustment     | 3,414            |
| Cash and cash equivalents           | 95,801           |
|                                     | <b>137,207</b>   |
| <b>TOTAL ASSETS</b>                 | <b>1,078,802</b> |
| <b>EQUITY AND LIABILITIES</b>       |                  |
| <b>Capital and reserves</b>         | <b>946,335</b>   |
| <b>Non-current liabilities</b>      |                  |
| Borrowings                          | 35,428           |
| Deferred taxation                   | 85,182           |
|                                     | <b>120,610</b>   |
| <b>Current liabilities</b>          |                  |
| Trade and other payables            | 9,888            |
| Borrowings short term portion       | 1,455            |
| Taxation payable                    | 207              |
| Deferred revenue                    | 307              |
|                                     | <b>11,857</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>1,078,802</b> |

### ABRIDGED STATEMENT OF CHANGES IN EQUITY For the 6 months ended 31 January 2012

|  | Share capital<br>P000's | Debentures<br>P000's | Total linked units<br>P000's | Revaluation reserve<br>P000's | Foreign currency translation reserve<br>P000's | Retained income<br>P000's | Total<br>P000's |
|--|-------------------------|----------------------|------------------------------|-------------------------------|--|---------------------------|-----------------|
| Linked units issued for amalgamations, acquisitions, assignment, share purchase and receivable | 7,367                   | 729,336              | <b>736,703</b>               |                               |  | 74,882                    | <b>736,703</b>  |
| Linked units issued in placing   | 1,300                   | 128,700              | <b>130,000</b>               |                               |  | (32,714)                  | <b>130,000</b>  |
| Linked units issued in offer   | 200                     | 19,800               | <b>20,000</b>                |                               |  |                           | <b>20,000</b>   |
| Initial charges  | (152)                   | (15,098)             | <b>(15,250)</b>              |                               |  |                           | <b>(15,250)</b> |
| Comprehensive income for the period  |                         |                      | <b>0</b>                     |                               |  | 74,882                    | <b>74,882</b>   |
| Transfer to revaluation reserve  |                         |                      | <b>0</b>                     | 32,714                        |  | (32,714)                  | <b>0</b>        |
| Transfer to foreign currency translation reserve   |                         |                      | <b>0</b>                     |                               | (1,517)  | 1,517                     | <b>0</b>        |
| Distribution proposed  |                         |                      | <b>0</b>                     |                               |  | (37,110)                  | <b>(37,110)</b> |
| Interest   |                         |                      | <b>0</b>                     |                               |  | (6,588)                   | <b>(6,588)</b>  |
| Dividend   |                         |                      | <b>0</b>                     |                               |  | 43,698                    | <b>43,698</b>   |
| Distributions not yet paid   |                         |                      | <b>0</b>                     |                               |  |                           | <b>0</b>        |
| <b>Balance at 31 January 2012</b>  | <b>8,715</b>            | <b>862,738</b>       | <b>871,453</b>               | <b>32,714</b>                 | <b>(1,517)</b>                                 | <b>43,685</b>             | <b>946,335</b>  |

### ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS For the 6 months ended 31 January 2012

|  | P000's           |
|--|------------------|
| <b>Net cash from operating activities</b>            | <b>14,579</b>    |
| Cash generated from operations                       | 17,711           |
| Net finance income                                   | 944              |
| Distributions to linked unitholders                  | 0                |
| Taxation paid  | (4,076)          |
| <b>Net cash used in investing activities</b>         | <b>(827,114)</b> |
| Investment property acquired / improved              | (874,288)        |
| Financial asset acquired                             | (32,976)         |
| Deferred tax liability acquired                      | 80,150           |
| <b>Net cash from financing activities</b>            | <b>908,336</b>   |
| Linked units issued (net of costs)                   | 871,453          |
| Borrowings increased                                 | 36,883           |
| <b>Net increase in cash and cash equivalents</b>     | <b>95,801</b>    |
| Cash and cash equivalents at beginning of the period | 0                |
| <b>Cash and cash equivalents at end of period</b>    | <b>95,801</b>    |

### NOTES

- The accounting policies are consistent with those used in the prospectus dated 15 August 2011.
- The group's business activities are concentrated in the retail property rental segment and are primarily carried out within Botswana.
- Elected to use predecessor accounting with effect from the date of amalgamation and as a result there are no comparative figures.
- Distribution attributable to linked unitholders is reconciled to comprehensive income as follows:

|   | Total    | Dividend component (ex Namibia subsidiaries) |         | Dividend component (ex local subsidiaries) |         | Balance - interest component |          |
|---|----------|--|---------|--|---------|------------------------------|----------|
|   | P000's   | tpu  | P000's  | tpu  | P000's  | tpu                          | P000's   |
| Total comprehensive income                    | 74,882   | 12.39  | 5,905   | 0.98                                       | 11,999  | 1.99                         | 56,978   |
| Less: Foreign currency translation difference | 1,517    | 0.25   | 0       | 0.00                                       | 0       | 0.00                         | 1,517    |
| Net profit                                    | 76,399   | 12.64  | 5,905   | 0.98                                       | 11,999  | 1.99                         | 58,495   |
| Less: Fair value adjustments net of tax       |          |  |         |  |         |                              |          |
| Investment property                           | (32,848) | (5.43)                                       | (4,775) | (0.79)                                     | (7,529) | (1.25)                       | (20,544) |
| Headline earnings                             | 43,551   | 7.21   | 1,130   | 0.19                                       | 4,470   | 0.74                         | 37,951   |
| Rental straight line adjustment               | 134      | 0.02   | 473     | 0.08                                       | 520     | 0.09                         | (859)    |
| Distributable earnings                        | 43,685   | 7.23   | 1,603   | 0.27                                       | 4,990   | 0.82                         | 37,092   |
| Distributions                                 | (43,698) | (7.23)                                       | (1,632) | (0.27)                                     | (4,956) | (0.82)                       | (37,110) |
| Net income retained                           | (13)     | 0.00   | (29)    | (0.00)                                     | 34      | 0.00                         | (18)     |

### COMMENTARY

#### RESULTS

Income from operations (before rent straight line adjustment) of P46.9 million exceeded the prospectus forecast for the 6 months of P46.0 million.

Net distributable income is however lower than the forecast for the period due to certain properties being held in two subsidiary companies which results in tax being payable within the group. Income already taxed in this manner will be distributed as dividends on the linked units to avoid converting dividend income into interest income in the hands of unitholders. The effect of the tax is 0.53 thebe per linked unit.

#### PROPERTY PORTFOLIO

The portfolio was valued by directors at P912 million, a 4% increase which takes into account rental escalations, and is performing in line with expectations. There is no change to the property portfolio detailed in the prospectus.

Vacancies at the end of January amount to 2%.

#### PROSPECTS

The Board is confident that rental escalations for the existing portfolio will continue in line with original expectations.

We have identified certain property investment opportunities with a view to securing quality assets to enhance the existing portfolio and are in the process of assessing the investment merits.

#### DISTRIBUTION DECLARATION

Distribution number 1 amounting to 7.23 thebe, comprising 6.14 thebe interest and 1.09 thebe dividend, was declared on 25 April 2012 and is payable to unitholders registered on 18 May 2012. The dividend portion comprises two elements, flowing from distributable income from the Botswana subsidiary company (0.82 thebe) and the Namibian subsidiary company (0.27 thebe). The key dates for this distribution are:

|  |             |
|--|-------------|
| Last date to trade cum distribution        | 15 May 2012 |
| Units trade ex distribution                | 16 May 2012 |
| Record date to participate in distribution | 18 May 2012 |
| Payment                                    | 1 June 2012 |

Withholding tax will be deducted by the company, where applicable, at 10% of the interest portion and 7.5% of the dividend paid out of the Namibian subsidiary company's distributable income.

#### For New African Properties Limited

|  |                                      |
|--|--------------------------------------|
| J.T. Mynhardt<br>Chairman<br>25 April 2012 | T.L.J. Mynhardt<br>Managing Director |
|--|--------------------------------------|

#### Transfer Secretaries

Grant Thornton Business Services (Pty) Ltd  
Plot 50370 Acumen Park  
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#### Company Secretary

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