



NEW AFRICAN PROPERTIES

NEW AFRICAN PROPERTIES LTD

“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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 JULY 2012

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 July 2012

	P000's
Revenue	115,229
Contractual lease rental	113,937
Rental straight line adjustment	1,292
Other income	1,192
Operating expenses	(22,409)
Operating profit	94,012
Net investment income (expense)	2,612
Profit before fair value adjustments	96,624
Investment property fair value adjustment	51,613
Per valuations	52,905
Rental straight line adjustment	(1,292)
Financial asset	(1,699)
Profit before taxation	146,538
Taxation	(2,016)
Profit after taxation	144,522
Other comprehensive income	
Currency translation difference	(2,266)
Total comprehensive income	142,256
Linked units in issue	604,397,124
Earnings per linked unit (thebe)	23.91
Distribution per unit (thebe)	
Interest	12.48
Dividend	
- subject to withholding tax	0.46
- not subject to withholding tax	1.75
Total	14.69

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 July 2012

	P000's
ASSETS	
Non-current assets	
Investment property	912,323
At valuation	927,462
Rental straight line adjustment	(15,139)
Investment in associate and intangible asset	17,144
Financial asset	19,933
Rental straight line adjustment	14,624
	964,024
Current assets	
Trade and other receivables	4,579
Related party receivable	24,901
Tax receivable	3,245
Rental straight line adjustment	515
Cash and cash equivalents	88,642
	121,882
TOTAL ASSETS	1,085,906
EQUITY AND LIABILITIES	
Capital and reserves	925,294
Non-current liabilities	
Borrowings	34,498
Deferred taxation	67,307
	101,805
Current liabilities	
Trade and other payables	11,807
Borrowings short term portion	1,624
Distributions payable to unitholders	45,088
Deferred revenue	288
	58,807
TOTAL EQUITY AND LIABILITIES	1,085,906

ABRIDGED STATEMENT OF CHANGES IN EQUITY For year ended 31 July 2012

	Share capital P000's	Debentures P000's	Total linked units P000's	Foreign currency translation reserve P000's	Retained income		Total P000's
					Not distributable P000's	Distributable P000's	
Linked units issued for amalgamations, acquisitions, assignment, share purchase and receivable	7,371	729,703	737,074				737,074
Linked units issued in placing	1,300	128,700	130,000				130,000
Linked units issued in offer	200	19,800	20,000				20,000
Initial charges	(152)	(15,098)	(15,250)				(15,250)
Comprehensive income for the period						142,256	142,256
Transfer of non-distributable portion					55,321	(55,321)	0
Transfer to foreign currency translation reserve				(2,266)		2,266	0
Distribution proposed							0
Interest						(75,429)	(75,429)
Dividend						(13,357)	(13,357)
Balance at 31 July 2012	8,719	863,105	871,824	(2,266)	55,321	415	925,294

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 July 2012

	P000's
Net cash from operating activities	5,226
Cash generated from operations	53,969
Net finance income	2,612
Distributions paid to linked unitholders	(43,698)
Taxation paid	(7,657)
Net cash used in investing activities	(44,583)
Investment property acquired / improved	(534)
Investment in subsidiary, acquisition and amalgamation	(26,905)
Investment in associate and intangible asset	(17,144)
Net cash from financing activities	127,999
Linked units issued for cash (net of costs)	134,750
Borrowings increased	(6,751)
Net increase in cash and cash equivalents	88,642
Cash and cash at beginning of the year	-
Cash and cash equivalents at end of year	88,642

NOTES

- The abridged financial results have been extracted from the annual financial statements, which have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) under the historical cost convention, as modified by the measurement of investment properties and certain financial assets and financial liabilities at fair value. The accounting policies followed in preparation of the annual financial statements are consistent with those as set out in the special-purpose combined financial statements published in the prospectus issued in support of the company's rights offer and listing on the Botswana Stock Exchange.
- 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.
- There are no contingent liabilities or commitments at 31 July 2012.
- Distributions attributable to linked unitholders are reconciled to comprehensive income as follows:

	P000's	Total tpu	Dividend component (ex Namibia subsidiaries)		Dividend component (ex local subsidiaries)		Balance - interest component	
			P000's	tpu	P000's	tpu	P000's	tpu
Total comprehensive income	142,256	23.54	7,581	1.25	25,802	4.27	108,873	18.01
Less: Foreign currency translation difference	2,266	0.37	0	0.00	0	0.00	2,266	0.37
Net profit	144,522	23.91	7,581	1.25	25,802	4.27	111,139	18.39
Less: Fair value adjustments net of tax								
Investment property	(56,133)	(9.29)	(5,324)	(0.88)	(15,079)	(2.49)	(35,730)	(5.91)
Financial asset	1,699	0.28	0	0.00	0	0.00	1,699	0.28
Headline earnings	90,088	14.91	2,257	0.37	10,723	1.77	77,108	12.76
Rental straight line adjustment	(887)	(0.15)	547	0.09	(153)	(0.03)	(1,281)	(0.21)
Distributable earnings	89,201	14.76	2,804	0.46	10,570	1.75	75,827	12.55
Distributions	(88,786)	(14.69)	(2,780)	(0.46)	(10,577)	(1.75)	(75,429)	(12.48)
Net income retained	415	0.07	24	0.00	(7)	(0.00)	398	0.07

COMMENTARY

RESULTS

On 19 July 2012, distribution number 2 of 7.46 thebe was declared based on the Board's estimate of total distributable income of P89 million. Actual distributable income for the year of P89.2 million is marginally ahead of this projection.

Income from operations (before rent straight line adjustment) of P95.3 million exceeded the prospectus forecast for the year of P93.5 million. Net distributable income is however slightly lower than forecast 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 has been 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 0.99 thebe per linked unit. The majority of this relates to a subsidiary company that has been amalgamated with effect from 1 August 2012 and will not impact future distributable income.

Profit for the year is lower than forecast as a result of lower fair value adjustments, primarily on investment property.

PROPERTY PORTFOLIO

The investment properties were valued by Curtis Matobolo and Catherine Muvirimi of Knight Frank at P960 million at a weighted average cap rate of 11.67%, and with capitalisation rates ranging from 10.0% to 15.5%. The carrying value of investment property of P912m is lower as a result of assets reflected elsewhere in the statement of financial position and an adjustment for the nature of title in one of the properties.

The only change to the portfolio during the period is the acquisition of a minority stake in a company holding lease rights. Vacancies amount to 1.5% at year end, a reduction from the 2% reported at half year.

PROSPECTS

The property portfolio continues to perform well with rental escalations continuing in line with, or above, original expectations. Distributions are also expected to increase as a result of cost savings generated through the rationalisation of the group structure by amalgamating the only remaining subsidiary company in Botswana.

The Board and management continues to explore property investment opportunities with a view to securing quality assets to enhance the existing portfolio.

For New African Properties Limited

J.T. Mynhardt
 Chairman
 26 November 2012

T.L.J. Mynhardt
 Managing Director

Transfer Secretaries
 Grant Thornton Business Services (Pty) Ltd
 Plot 50370 Acumen Park
 Gaborone, Botswana
 (PO Box 1157, Gaborone, Botswana)

Company Secretary
 DPS Consulting Services (Pty) Ltd
 Plot 50371, Fairground Office Park
 Gaborone, Botswana
 (PO Box 1453, Gaborone, Botswana)