



NEW AFRICAN PROPERTIES

NEW AFRICAN PROPERTIES LTD AND ITS SUBSIDIARY

"the Group" 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

www.newafricanproperties.co.bw

AUDITED ABRIDGED FINANCIAL RESULTS

For the year ended 31 July 2015

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2015 P000's	2014 P000's
Revenue	144 731	137 102
Contractual lease rental	141 036	130 793
Rental straight line adjustment	3 695	6 309
Other income	1 726	1 588
Operating expenses	(27 521)	(26 972)
Operating profit	118 936	111 718
Net finance income	5 276	6 648
Finance income	7 503	9 262
Finance expense	(2 227)	(2 614)
Net income from operations	124 212	118 366
Investment property fair value adjustment	87 787	112 921
Per valuations	91 482	119 230
Rental straight line adjustment	(3 695)	(6 309)
Financial asset fair value adjustment	1 852	(965)
Amortisation of intangible asset	(881)	(881)
Share of associate's profit	4 062	5 649
Profit before taxation	217 032	235 090
Taxation	(17 930)	(24 035)
Profit after taxation	199 102	211 055
Other comprehensive income		
Currency translation difference	(1 051)	(2 522)
Total comprehensive income	198 051	208 533
Linked units in issue	604 397 124	604 397 124
Earnings per linked unit (thebe)	32.94	34.92
Distribution per unit (thebe)		
Interest	17.66	16.87
Dividend	1.77	1.12
Total	19.43	17.99

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2015 P000's	2014 P000's
ASSETS		
Non-current assets		
Investment property	1 197 122	1 109 920
At valuation	1 225 449	1 134 598
Rental straight line adjustment	(28 327)	(24 678)
Investment in associate	17 707	13 645
Financial asset	20 954	19 102
Intangible asset	9 550	10 431
Rental straight line adjustment	26 681	23 970
	1 272 014	1 177 068
Current assets		
Trade and other receivables	85 733	87 507
Tax receivable	537	2 523
Rental straight line adjustment	1 646	708
Cash and cash equivalents	47 651	44 997
	135 567	135 735
TOTAL ASSETS	1 407 581	1 312 803
EQUITY AND LIABILITIES		
Capital and reserves	1 187 849	1 107 232
Non-current liabilities		
Borrowings	27 628	30 209
Deferred taxation	112 516	97 623
	140 144	127 832
Current liabilities		
Trade and other payables	17 106	20 742
Borrowings short term portion	2 518	2 239
Distributions payable to unitholders	59 964	54 758
	79 588	77 739
TOTAL EQUITY AND LIABILITIES	1 407 581	1 312 803

COMMENTARY

RESULTS

On 14 July 2015, distribution number 8 of 9.92 thebe per linked unit was declared based on the Board's estimate of total distributable income of P117 million, an increase of 7.7% on the 2014 P109 million. Actual distributable income for the year is in line with this projection.

The property portfolio has performed well with contractual net rental income increasing by 9.6% as a result of increased rentals, contained expenditure and a significant reduction in debtors impairments. Unprovided tenants arrears have also reduced to P0.7 million by year end.

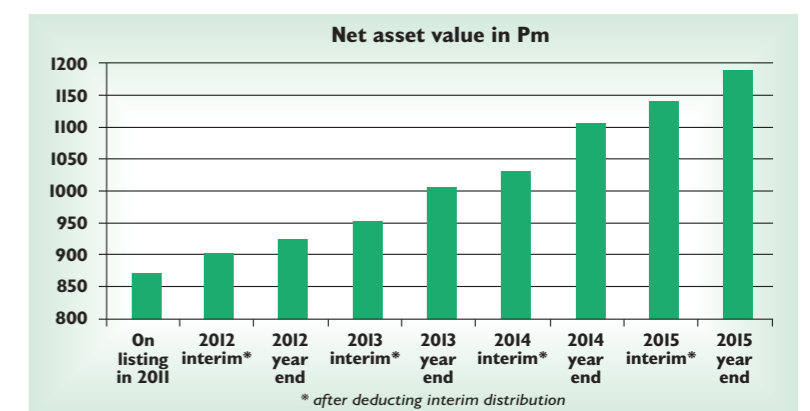
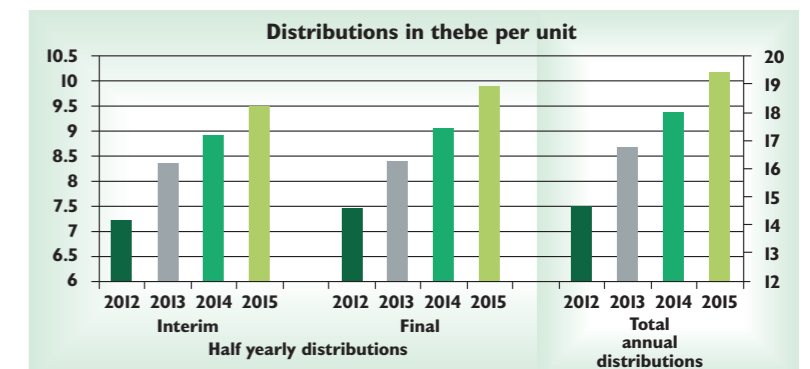
Property valuations gave rise to a P91.5 million fair value gain, before straight line adjustments, which amounts to an 8.1% increase on the opening value (2014: P119.2 million, 11.7%). This valuation gain was mainly attributable to increases in net rentals but also took into account a 22 basis point shift in the weighted average capitalisation rate. Due to the significant 99 basis point shift in the capitalisation rates last year as a result of the reduction in long bond rates the increase in valuations this year is lower than last year and as a result net profit reflects a decrease.

This revaluation adjustment, together with other fair value and accounting adjustments, and the related taxes thereon are treated as non-distributable income and have the effect of increasing the net asset value of NAP.

The net asset value for the year increased by 7.2% to close at P1.2 billion at 31 July 2015 (2014: P1.1 billion).

PERFORMANCE TRENDS

NAP has delivered on its objective of providing growing income streams to investors since listing as evident from the consistent increase in distributions and net asset value illustrated below.



Since listing on 28 September 2011, NAP has generated an income return for its investors of 34% and a total return of 55% as at 31 July 2015.

PROPERTY PORTFOLIO

Management continue to explore opportunities to add value to existing assets and the Riverwalk food court, which has undergone significant changes during the year and now offers the most diverse and exciting food court in Botswana, is an example of this.

Vacancies continue to remain at low levels and amount to 2.8% of gross lettable area and 1.9% of rentals at year end (2014: 3.7% and 2.2% respectively). This is indicative of the demand for the space and quality of management.

There have been no changes to the composition of the portfolio during the year and there are no material commitments or contingent liabilities at 31 July 2015.

The properties were valued by Curtis Matobolo of Knight Frank at P1 329 million at a weighted average capitalisation rate of 9.98% (2014: P1 204 million at 10.20%). The carrying value of investment property of P1 197 million 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.

PROSPECTS

The performance to date demonstrates that the current NAP property portfolio is capable of producing predictable, growing returns to investors in line with the primary objective of growing distributions on a sustainable basis. The board remains confident that this will be achieved in the year ahead.

The current demand for assets in Botswana has had an impact on the pricing and availability of assets. New retail development opportunities in Gaborone are considered limited at this time in view of the significant development that has taken place in recent years, while the Gaborone office market is considered to be oversupplied. There are however opportunities in other Botswana towns and management continues to look at opportunities that meet our objectives. While the fund has access to a pipeline of potential developments, the regulatory and planning environment and other related factors are all impacting on the timeframes and ability to bring these projects to fruition.

NAP is well positioned to fund developments and acquisitions in view of its virtually unencumbered status and would benefit from the introduction of gearing.

For New African Properties Limited

J.T. Mynhardt
Chairman
22 October 2015

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)

Directors: J.T. Mynhardt (Chairman), T.L.J. Mynhardt (Managing Director), F.B. Lebal, J.P. McLoughlin#, L.C. Tapping# (Chief Financial Officer), S. Venkatakrishnan*
South African, * Indian

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital P000's	Debentures P000's	Total linked units P000's	Foreign currency translation reserve P000's	Non distributable retained income P000's	Distributable retained income P000's	Total P000's
Balance at 31 July 2013	8 719	863 105	871 824	(5 812)	140 589	829	1 007 430
Transactions with owners	-	-	-	-	-	(108 731)	(108 731)
Distributions declared	-	-	-	-	-	(108 731)	(108 731)
Comprehensive income	-	-	-	(2 522)	102 053	109 002	208 533
Comprehensive income for the period	-	-	-	(2 522)	-	211 055	208 533
Transfer of non-distributable amounts net of related taxes	-	-	-	-	102 053	(102 053)	-
Balance at 31 July 2014	8 719	863 105	871 824	(8 334)	242 642	1 100	1 107 232
Transactions with owners	-	-	-	-	-	(117 434)	(117 434)
Distributions declared	-	-	-	-	-	(117 434)	(117 434)
Comprehensive income	-	-	-	(1 051)	81 653	117 449	198 051
Comprehensive income for the period	-	-	-	(1 051)	-	199 102	198 051
Transfer of non-distributable amounts net of related taxes	-	-	-	-	81 653	(81 653)	-
Balance at 31 July 2015	8 719	863 105	871 824	(9 385)	324 295	1 115	1 187 849

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	2015 P000's	2014 P000's
Net cash from operating activities	(391)	6 353
Cash generated from operations	107 464	106 784
Net finance income	5 276	6 648
Distributions paid to linked unitholders	(112 228)	(104 682)
Taxation paid	(903)	(2 397)
Net cash from / (used in) investing activities	5 347	7 845
Investment property acquired / improved	(1 396)	(841)
Deposit in related party receivable	6 743	8 686
Net cash from financing activities	(2 302)	(2 019)
Net change in cash and cash equivalents	2 654	12 179
Cash and cash at beginning of the year	44 997	32 818
Cash and cash equivalents at end of year	47 651	44 997

NOTES

A. The abridged financial results have been extracted from the audited 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 applied in the prior year.

NOTES (continued)

B. The Company's auditors, PricewaterhouseCoopers, have issued an unqualified audit opinion of the annual financial statements on which these abridged annual financial results are based. A copy of their opinion and the full set of annual financial statements are available for inspection at the registered office of the Company. The Annual Report will be available on the Company's website from 31 October 2015, and hard copies thereof will be mailed to unitholders during November 2015.

C. The Group's business activities are concentrated in the retail property rental segment and are primarily carried out within Botswana.

D. Distribution attributable to linked unitholders is reconciled to comprehensive income as follows:

	2015 P000's		2014 P000's	
	tpu	tpu	tpu	tpu
Total comprehensive income	198 051	32.77	208 533	34.50
Add back: Foreign currency translation difference	1 051	0.17	2 522	0.42
Net profit	199 102	32.94	211 055	34.92
Adjust for non-distributable items:				
Fair value adjustments net of tax	(77 078)	(12.75)	(92 983)	(15.38)
Amortisation adjustments	881	0.14	881	0.14
Share of associate's net profit	(4 062)	(0.67)	(5 649)	(0.94)
Rental straight line adjustment net of tax	(2 857)	(0.47)	(4 865)	(0.80)
Other non-distributable tax charges	1 463	0.24	563	0.09
Distributable earnings for current period	117 449	19.43	109 002	18.03
Distributions	(117 434)	(19.43)	(108 731)	(17.99)
Net income retained	15	-	271	0.04