



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 2014

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2014 P000's	2013 P000's
Revenue	137 102	126 995
Contractual lease rental	130 793	123 648
Rental straight line adjustment	6 309	3 347
Other income	1 588	1 581
Operating expenses	(26 972)	(26 635)
Operating profit	111 718	101 941
Net finance income	6 648	5 876
Finance income	9 262	9 181
Finance expense	(2 614)	(3 305)
Net income from operations	118 366	107 817
Investment property fair value adjustment	112 921	88 926
Per valuations	119 230	92 273
Rental straight line adjustment	(6 309)	(3 347)
Financial asset fair value adjustment	(965)	134
Amortisation of intangible asset	(881)	(881)
Share of associate's profit	5 649	3 045
Profit before taxation	235 090	199 041
Taxation	(24 035)	(12 123)
Profit after taxation	211 055	186 918
Other comprehensive income		
Currency translation difference	(2 522)	(3 546)
Total comprehensive income	208 533	183 372
Linked units in issue	604 397 124	604 397 124
Earnings per linked unit (thebe)	34.92	30.93
Distribution per unit (thebe)		
Interest	16.87	16.15
Dividend	1.12	0.60
Total	17.99	16.75

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2014 P000's	2013 P000's
ASSETS		
Non-current assets		
Investment property	1 109 920	998 040
At valuation	1 134 598	1 016 441
Rental straight line adjustment	(24 678)	(18 401)
Investment in associate	13 645	7 996
Financial asset	19 102	20 067
Intangible asset	10 431	11 312
Rental straight line adjustment	23 970	17 720
	1 177 068	1 055 135
Current assets		
Trade and other receivables	87 507	97 514
Tax receivable	2 523	3 042
Rental straight line adjustment	708	681
Cash and cash equivalents	44 997	32 818
	135 735	134 055
TOTAL ASSETS	1 312 803	1 189 190
EQUITY AND LIABILITIES		
Capital and reserves	1 107 232	1 007 430
Non-current liabilities		
Borrowings	30 209	32 576
Deferred taxation	97 623	76 643
	127 832	109 219
Current liabilities		
Trade and other payables	20 742	19 941
Borrowings short term portion	2 239	1 891
Distributions payable to unitholders	54 758	50 709
	77 739	72 541
TOTAL EQUITY AND LIABILITIES	1 312 803	1 189 190

COMMENTARY

RESULTS

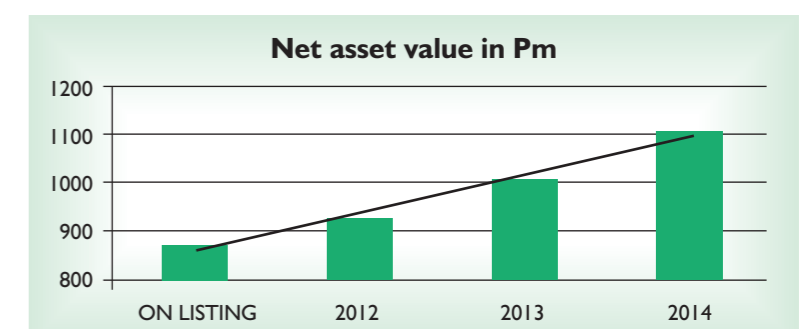
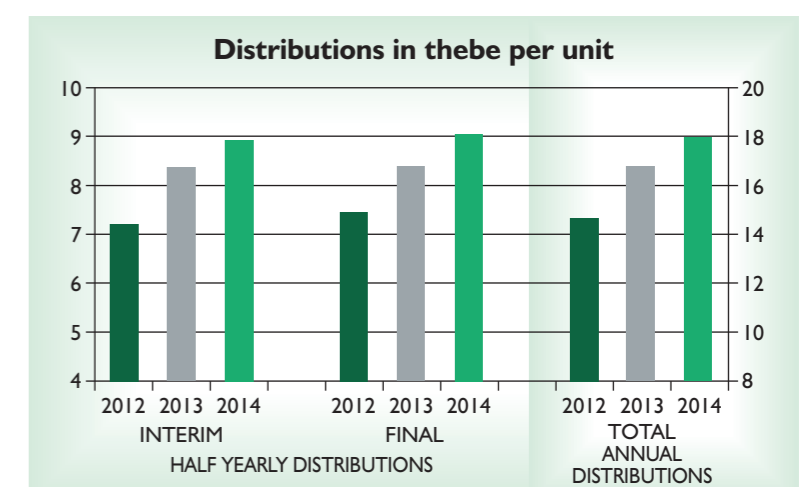
On 15 July 2014, distribution number 6 of 9.06 thebe per linked unit was declared based on the Board's estimate of total distributable income of P108.7 million, an increase of 7.4%. Actual distributable income for the year is in line with this projection and amounts to P109.0 million, a 7.2% increase on last year's P101.7 million.

Net profit before tax reflects an 18.1% increase to P235.1 million. Fair value adjustments of P112.9 million (2013: P88.9 million) contributed to this increase in profit. This increase in valuations was attributable to growth in net rental income as well as a 99 basis point shift in the weighted average capitalisation rate following a reduction in the long bond rates over the year together with other applicable factors. 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 9.9% to close at P1.1 billion at 31 July 2014.

PERFORMANCE TRENDS

NAP has delivered on its objective of providing growing income streams to investors since its listing in 2011 as evident from the consistent increase in distributions and net asset value as illustrated below.



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 2012	8 719	863 105	871 824	(2 266)	55 321	415	925 294
Transactions with owners	-	-	-	-	-	(101 236)	(101 236)
Distributions declared	-	-	-	-	-	(101 236)	(101 236)
Comprehensive income	-	-	-	(3 546)	85 268	101 650	183 372
Comprehensive income for the period	-	-	-	(3 546)	-	186 918	183 372
Transfer of non-distributable amounts net of related taxes	-	-	-	-	85 268	(85 268)	-
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

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	2014 P000's	2013 P000's
Net cash from operating activities	6 353	12 954
Cash generated from operations	106 784	104 986
Net finance income	6 648	5 876
Distributions paid to linked unitholders	(104 682)	(95 615)
Taxation paid	(2 397)	(2 293)
Net cash from / (used in) investing activities	7 845	(67 123)
Investment property acquired / improved	(841)	(572)
Deposit in related party receivable	8 686	(66 551)
Net cash from financing activities	(2 019)	(1 655)
Net change in cash and cash equivalents	12 179	(55 824)
Cash and cash at beginning of the year	32 818	88 642
Cash and cash equivalents at end of year	44 997	32 818

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 2014, and hard copies thereof will be mailed to unitholders during November 2014.
- 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:

	2014		2013	
	P000's	tpu	P000's	tpu
Total comprehensive income	208 533	34.50	183 372	30.34
Add back: Foreign currency translation difference	2 522	0.42	3 546	0.59
Net profit	211 055	34.92	186 918	30.93
Adjust for non-distributable items:				
Fair value adjustments net of tax	(92 983)	(15.38)	(80 527)	(13.32)
Amortisation adjustments	881	0.14	881	0.14
Share of associate's net profit	(5 649)	(0.94)	(3 045)	(0.50)
Rental straight line adjustment net of tax	(4 865)	(0.80)	(2 577)	(0.43)
Other non-distributable tax charges	563	0.09	-	-
Distributable earnings for current period	109 002	18.03	101 650	16.82
Distributions	(108 731)	(17.99)	(101 236)	(16.75)
Net income retained	271	0.04	414	0.07

PROPERTY PORTFOLIO

There have been no changes to the portfolio during the year.

The investment properties were valued by Curtis Matobolo of Knight Frank at P1 204 million at a weighted average capitalisation rate of 10.20% (2013: 11.19%).

The carrying value of investment property of P1 110 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.

Vacancies amounted to 3.7% by gross lettable area and 2.2% by rental value at year end.

PROSPECTS

The board remains confident that the property portfolio is positioned to deliver growing income streams for the year ahead, continuing the trend of predictable and sustainable returns to investors established to date.

There are no material commitments or contingent liabilities at 31 July 2014.

For New African Properties Limited

J.T. Mynhardt
Chairman

22 October 2014

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. Lebala, J.P. McLoughlin#, L.C. Tapping# (Chief Financial Officer),
S. Venkatakrishnan*.
South African, * Indian