

PRIMETIME PROPERTY HOLDINGS LIMITED UNAUDITED INTERIM CONSOLIDATED FINANCIAL RESULTS 2016

HALF YEAR TRADING HIGHLIGHTS

- Profit for the period before tax up 33% over prior corresponding period
- Uplift due to P8.7m profit on the sale of Barclays Plaza and Blue Jacket Square which successfully completed on 5th December 2015
- Acquisition of PwC Office Park Lusaka effective 1 March 2016
- Committed management has achieved a negligible vacancy rate at the period end across the portfolio

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 29 FEBRUARY 2016

	Interim results six months to 29-02-2016 Pula	Interim results six months to 28-02-2015 Pula	Audited results year to 31-08-2015 Pula
Revenue			
Contractual lease revenue	40 850 652	41 351 516	84 155 843
Rentals straight line adjustment	3 618 773	3 895 039	7 692 700
Rental income	44 469 425	45 246 555	91 848 543
Other operating revenue	6 388 700	6 013 799	12 794 055
Operating expenses	(16 355 978)	(15 185 457)	(32 692 600)
Profit on disposal of investment property	8 735 515	-	-
Ground lease straight line adjustment	-	-	(40 059)
Profit from operations before fair value adjustment	43 237 662	36 074 897	71 909 939
Fair value adjustment	-	-	25 180 039
Profit from operations	43 237 662	36 074 897	97 089 978
Interest income	15 406	19 458	24 191
Interest expense	(9 925 737)	(11 127 214)	(21 357 908)
Profit before taxation	33 327 331	24 967 141	75 756 261
Taxation	244 102	(962 431)	(14 792 316)
Profit for the period/year	33 571 433	24 004 710	60 963 945
Other comprehensive income/(loss)			
Items that may subsequently be classified to profit or loss			
Exchange differences on translating foreign operations	4 630	(267 534)	(5 050 598)
Other comprehensive income/(loss)	4 630	(267 534)	(5 050 598)
Total comprehensive income for the period/year	33 576 063	23 737 176	55 913 347
Earnings per Linked Unit (thebe)	18.66	13.34	37.46
Distribution per linked unit (thebe)			
Interest per linked unit	5.10	5.38	16.22
	4 months	4 months	12 months

Note 1: The charge for taxation comprises deferred taxation in relation to the potential liability for Capital Gains Tax on the acquisition of the properties and deferred taxation on the fair value adjustment for the period/year and withholding tax on the rental income of the foreign branch.

No provision has been made for normal taxation as the Company expects to have enough capital allowances to cover any taxable income.

INTERIM FINANCIAL RESULTS

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 29 FEBRUARY 2016

	29-Feb-2016 Pula	28-Feb-2015 Pula	Audited 31-Aug-2015 Pula
Net cash flows from operating activities	10 394 833	24 235 101	55 916 203
Net cash from/(used in) investing activities	32 873 493	(1 095 760)	(21 349 791)
Net cash from/(used in) financing activities	5 017 356	(11 992 289)	(50 025 004)
Net increase/(decrease) in cash and cash equivalents for the period	48 285 682	11 147 052	(15 458 592)
Cash deficit at the beginning of the period	(17 467 964)	(1 633 769)	(1 633 769)
Effects of exchange rate on the cash held in foreign currencies	4 630	(267 534)	(375 603)
Cash and cash equivalents/(cash deficit) and the end of the period	30 822 348	9 245 749	(17 467 964)

INTERIM FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 29 FEBRUARY 2016

	Stated capital Pula	Linked unit debentures Pula	Accumulated profits Pula	Foreign currency translation reserve Pula	Debenture interest reserve Pula	Total Pula
Balance at 1 September 2014	4 716 210	132 610 057	254 899 159	1 635 467	4 911 002	398 771 895
Total comprehensive income for the year	-	-	60 963 945	(5 050 598)	-	55 913 347
Debenture interest declared	-	-	(29 178 190)	-	29 178 190	-
Taxation attributable to debenture interest	-	-	6 419 202	-	-	6 419 202
Debenture interest paid	-	-	-	-	(29 232 157)	(29 232 157)
Balance at 1st September 2015	4 716 210	132 610 057	293 104 116	(3 415 131)	4 857 035	431 872 287
Total comprehensive income for the period	-	-	34 046 810	(470 747)	-	33 576 063
Debenture interest declared	-	-	(9 174 400)	-	9 174 400	-
Balance at 29 February 2016	4 716 210	132 610 057	317 976 526	(3 885 878)	14 031 435	465 448 350

INTERIM FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2016

	29-Feb-2016 Pula	28-Feb-2015 Pula	Audited 31-Aug-2015 Pula
ASSETS			
Non-current assets	759 465 825	735 086 574	720 194 013
Investment properties	666 676 172	706 802 035	665 586 239
Work in progress	57 493 443	-	22 955 948
Rent receivable – straight line adjustment	35 296 210	28 284 539	31 651 826
Current assets	64 996 482	14 210 022	68 783 814
Trade and other receivables	14 429 828	2 011 151	3 962 896
Rent receivable – straight line adjustment	2 186 946	2 948 503	2 651 397
Taxation receivable	5 048	4 619	7 450
Cash and cash equivalents	48 374 660	9 245 749	2 412 071
Assets classified as held for sale	-	-	59 750 000
Total assets	824 462 307	749 296 596	788 977 827
EQUITY AND LIABILITIES			
Total equity and reserves	465 448 350	422 509 070	431 872 287
Stated capital	4 716 210	4 716 210	4 716 210
Debentures	132 610 057	132 610 057	132 610 057
Accumulated profits	317 976 526	269 225 776	293 104 116
Foreign currency translation reserve	(3 885 878)	1 367 933	(3 415 131)
Debenture interest reserve	14 031 435	14 589 094	4 857 035
Non-current liabilities	303 335 526	282 583 143	287 403 606
Deferred taxation	33 922 907	27 114 162	34 242 371
Long term borrowings	268 602 868	254 699 289	252 351 484
Ground lease straight line adjustment	809 751	769 692	809 751
Current liabilities	55 678 431	44 204 383	69 701 934
Trade and other payables	12 631 786	21 188 234	20 796 477
Current portion of long term borrowings	25 135 354	22 665 704	26 443 645
Deferred revenue	358 979	350 445	2 425 452
Bank overdraft	17 552 312	-	19 880 035
Taxation payable	-	-	156 325
Total equity and reserves	824 462 307	749 296 596	788 977 827

COMMENTS

Our properties have performed well during this interim period. Effective management is resulting in PrimeTime braving out the continued tough economic environment that persists in Botswana, and at this interim period end our vacancies are negligible.

The sales of Barclays Plaza and Blue Jacket Square were successfully completed halfway through this period, which has resulted in a temporary shortfall in rental income for the group. The book profits of P8.7m reported on these sales will be reinvested into our new Pilane Crossing retail development, providing longevity of return and capital uplift to our unitholders in the medium to longer term.

As recently reported, PrimeTime has recently acquired a further property in Zambia – the PwC Office Park, Lusaka – and with rentals accruing from 1 March 2016 its impact will be reflected in the Group's year end results.

We remain committed to up-keeping our existing properties through relevant refurbishment and maintenance. Major works already completed in this financial year are an upgrade of the air-conditioning system at Independence Place, a power upgrade at Boiteko Junction, Serowe and a lift refurbishment at the South African High Commission.

Our share price continues to be strong and has risen from P2.70 at 28 February 2015 to P2.96

at 29 February 2016 – an increase of almost 10%, reflecting the company's continued solid performance.

We recently paid out debenture interest for the 6 months to 31 December 2015 and the next debenture interest payment is due for the 6 month period ended 30 June 2016 which will be paid out by 31 August 2016.

PROSPECTS AND OUTLOOK

We can report that we are currently pursuing some new opportunities in Botswana. Our diversification strategy is also taking shape with Zambian prospects continually being assessed.

By order of the Board


P Matumo
(Chairman)


A L Kelly
(Managing Director)

Gaborone, 4th May 2016