

PRIMETIME PROPERTY HOLDINGS LIMITED UNAUDITED INTERIM CONSOLIDATED FINANCIAL RESULTS 2018

PrimeTime Property Holdings Limited

Incorporated in the Republic of Botswana on 29 August 2007, Company No. 2007/4760

HALF YEAR TRADING HIGHLIGHTS

- Contractual lease revenue for the period increased by 18%
- Debt interest distribution for the first 4-month period increased by 11%
- 3 Investment properties currently under development are all progressing well

SUMMARISED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 28 FEBRUARY 2018

	Interim results six months to		Audited results year to
	28-02-2018	29-02-2017	31-08-2017
	Pula	Pula	Pula
Revenue			
Contractual lease revenue	60 281 558	51 225 369	110 452 276
Rentals straight line adjustment	4 390 541	3 182 849	8 940 809
Rental income	64 672 099	54 408 218	119 393 085
Other operating revenue	8 391 899	6 732 420	15 022 340
Operating expenses	(24 018 172)	(20 152 569)	(46 693 567)
Profit on disposal of investment property	-	-	-
Gain on a bargain purchase	-	5 486 560	5 506 961
Exchange differences on translating foreign balances	88 207	(1 574 325)	(2 408 375)
Ground lease straight line adjustment	-	-	(28 188)
Profit from operations before fair value adjustment	49 134 033	44 900 304	90 792 256
Fair value adjustment	-	-	(16 882 355)
Profit from operations	49 134 033	44 900 304	73 909 901
Interest income	82 934	347 749	725 416
Interest expense	(19 502 868)	(19 045 334)	(42 482 309)
Profit before taxation	29 714 099	26 202 719	32 153 008
Taxation	(3 057 346)	(1 646 653)	(3 864 025)
Profit for the period/year	26 656 753	24 556 066	28 288 983
Other comprehensive (loss)/income			
<i>Items that may subsequently be classified to profit or loss</i>			
Exchange differences on translating foreign operations	(30 410 637)	(9 077 334)	(7 923 872)
Other comprehensive loss	(30 410 637)	(9 077 334)	(7 923 872)
Total comprehensive (expense)/income for the period/year	(3 753 884)	15 478 732	20 365 111
Earnings per. Linked Unit (thebe)	10.90	13.65	18.24
Distribution per linked unit (thebe)			
Interest per linked unit	5.55	5.00	15.92
	4 months	4 months	12 months

Note: 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 entities, which is a final tax.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018

	28-Feb-2018	29-Feb-2017	Audited
	Pula	Pula	31-Aug-2017 Pula
ASSETS			
Non-current assets	1 254 440 383	1 197 204 200	1 237 028 038
Property, plant & equipment	-	8 490	-
Investment properties	1 051 975 927	1 081 680 993	1 069 677 905
Work in progress	153 707 648	76 201 480	122 515 807
Goodwill	-	39 565	-
Rent receivable – straight line adjustment	48 756 808	39 273 672	44 834 326
Current assets	42 657 904	39 748 559	76 289 958
Trade and other receivables	17 696 431	14 200 575	21 254 558
Rent receivable – straight line adjustment	2 756 245	2 271 014	2 447 147
Taxation receivable	127 014	42 058	107 264
Cash and cash equivalents	22 078 214	23 234 912	52 480 989
Total assets	1 297 098 287	1 236 952 759	1 313 317 996
EQUITY AND LIABILITIES			
Total equity and reserves	685 471 948	505 926 064	689 225 832
Stated capital	14 242 773	4 716 210	14 242 773
Debtentures	323 329 682	132 610 057	323 329 682
Accumulated profits	369 585 760	367 845 289	356 507 120
Foreign currency translation reserve	(43 631 433)	(14 374 258)	(13 220 796)
Debtenture interest reserve	21 945 166	15 128 766	8 367 053
Non-current liabilities	446 411 749	576 946 708	456 951 649
Deferred taxation	34 975 799	40 884 136	34 133 290
Long term borrowings	410 557 588	535 212 398	421 939 997
Ground lease straight line adjustment	878 362	850 174	878 362
Current liabilities	165 214 590	154 079 987	167 140 515
Trade and other payables	29 111 444	33 436 518	32 744 769
Amount due to related parties	1 445 121	-	3 653 722
Current portion of long term borrowings	124 514 545	114 507 956	124 837 160
Deferred revenue	660 645	1 390 085	2,879 236
Bank overdraft	9 374 427	4 745 428	2 640 308
Taxation payable	108 408	-	385 320
	1 297 098 287	1 236 952 759	1 313 317 996

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2018

	28-Feb-2018 Pula	28-Feb-2017 Pula	Audited 31-Aug-2017 Pula
Net cash flows from operating activities	37 888 564	39 993 618	75 958 394
Net cash used in investing activities	(34 471 047)	(242 840 167)	(301 746 390)
Net cash (used in)/from financing activities	(31 207 892)	175 933 430	221 178 915
Net decrease in cash and cash equivalents for the period	(27 790 375)	(26 913 119)	(4 609 081)
Cash and cash equivalents at the beginning of the period	49 840 681	48 930 707	48 930 707
Effects of exchange rate on the cash held in foreign currencies	(9 346 519)	(3 528 104)	5 519 055
Cash and cash equivalents and the end of the period	12 703 787	18 489 484	49 840 681

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 28 FEBRUARY 2018

	Stated capital Pula	Linked unit debtentures Pula	Accumulated profits Pula	Foreign currency translation reserve Pula	Debtenture interest & reserve Pula	Total Pula
Balance at 1 September 2016	4 716 210	132 610 057	352 283 733	(5 296 924)	6 134 256	490 447 332
Rights issue during the year	9 526 563	190 719 625	-	-	-	200 246 188
Total comprehensive income/(loss) for the year	-	-	28 288 983	(7 923 872)	-	20 365 111
Debtenture interest	-	-	(30 853 328)	-	30 853 328	-
Taxation attributable to debtenture interest	-	-	6 787 732	-	-	6 787 732
Debtenture interest paid	-	-	-	-	(28 620 531)	(28 620 531)
Balance at 1st September 2017	14 242 773	323 329 682	356 507 120	(13 220 796)	8 367 053	689 225 832
Total comprehensive income/(loss) for the period	-	-	26 656 753	(30 410 637)	-	(3 753 884)
Debtenture interest	-	-	(13 578 113)	-	13 578 113	-
Balance at 28 February 2018	14 242 773	323 329 682	369 585 760	(43 631 433)	21 945 166	685 471 948

SEGMENTAL REPORTING

The Group's business activities are concentrated in the segment of property rentals and are concentrated within the geographical regions of Botswana and Zambia. The geographical segmental information is outlined below:

	28-Feb-2018 Pula	28-Feb-2017 Pula	Audited 31-Aug-2017 Pula
Contractual lease revenue			
Local operations	45 294 380	43 435 433	86 986 621
Foreign operations	14 987 178	7 789 936	23 465 655
	60 281 558	51 225 369	110 452 276
Non-current assets			
Investment properties			
Local operations	770 245 358	778 927 946	766 883 219
Foreign operations	281 730 569	302 753 047	302 794 686
	1 051 975 927	1 081 680 993	1 069 677 905
Work in progress			
Local operations	30 086 475	21 531 367	22 398 109
Foreign operations	123 621 173	54 670 113	100 117 708
	153 707 648	76 201 480	122 515 817
Property, plant & equipment			
Foreign operations	-	8 490	-
Total liabilities			
Local operations	559 285 842	669 720 700	566 999 692
Foreign operations	52 340 498	61 305 995	57 092 472
	611 626 340	731 026 695	624 092 164

COMMENTS

The results for first 6 months of this financial year include revenues from the retail mall Centro Kabulonga in Lusaka – an acquisition completed at the end of January 2017. This has impacted positively when combined with a strong performance from the rest of the property portfolio and the Group has achieved an 18% increase in rental income YOY.

Several significant tenants have been able to open at Pilane Crossing after obtaining their trading licences – PEP, Ackermans, Clicks and Jet all opened in Q1 of this financial year. It will still take some time to bed down this centre after its rocky start, but with the new KFC drive-through due to open shortly it is looking more positive.

Elsewhere with other tenants in this period; the Alexander Forbes lease was renewed for 5 years, AFA for 3 years, Botswana Life at Marula House for 3 years with increased space and in our Ghanzi centre 5-year leases have been renewed for Barclays Bank, Lewis Stores and Topline. The long-term vacancy at Acacia House has recently been filled as well as part of the PwC Office Park vacant space in Lusaka. The extension at Sebele was completed in time for the Christmas trade with the toy and bike shops both able to open on 5-year leases.

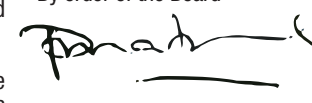
Included in this years' major refurbishment and maintenance plans are completion of the Sebele Centre and Pilane Crossing extensions, both of which have been done. The Ramotswa property is also receiving an external makeover to the parking area and negotiations continue to extend some of PrimeTime's ground leases in Botswana.

In March 2018, PrimeTime disposed of Mantlo House in Francistown, with the proceeds being deployed to complete the Design Quarter in Setlho. Full details of this disposal are included in a separate press announcement.

PROSPECTS AND OUTLOOK

Our immediate investment property pipeline is progressing well. The Chirundu retail centre in Southern Zambia is opening at the end of this month and the Design Quarter at Setlho, Gaborone is scheduled for completion in August 2018 followed by the Munal Retail Centre, Lusaka in October 2018. Advanced plans are also in place for Pinnacle Park, a commercial centre planned for our second plot in Setlho.

By order of the Board



P Matumo
(Chairman)
Gaborone, 18 April 2018



A L Kelly
(Managing Director)