



Unaudited abridged group interim results for the half year ended 31 July 2014.

Directors: C M Lekaukau (Chairman), G H Abdoola (MD), I Nshakazhogwe, N W Armstrong (resigned 16/04/2014)
 M Nteta, P Pillar, M Aldelman, P Bezuidenhout
 Registered Office: Acumen Park, Plot 50370, Fairground Office Park, P O Box 1172 Gaborone
 Transfer secretaries: Grant Thornton Business Services (Proprietary) Limited,
 Acumen Park, Plot 50370, Fairground Office Park, P O Box 1157, Gaborone
 Company Number 2000/5302* (Incorporated in the Republic of Botswana)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 JULY 2014

	GROUP		COMPANY	
	31-Jul-14 Pula	31-Jul-13 Pula	31-Jul-14 Pula	31-Jul-13 Pula
Revenue				
Rental income	114,823,368	110,100,027	64,736,670	63,968,389
Other income	2,519,087	2,160,956	1,754,671	1,979,746
Operating expenses	(36,192,303)	(35,112,797)	(20,095,312)	(22,612,342)
Dividend income from subsidiary	-	-	7,894,737	7,641,000
Profit on foreign exchange	6,679,194	13,158,883	6,679,194	13,628,446
Loss on foreign exchange	(9,579,684)	(15,533,864)	(9,579,684)	(8,848,397)
Ground rent paid to Roman Catholic Church	(4,305,271)	(4,478,524)	(4,305,271)	(4,478,524)
Ground rent paid to University of Dar es Salaam	(3,828,701)	(3,603,470)	-	-
Profit from operations	70,115,689	66,691,211	47,085,005	51,278,518
Finance income	28,998	25,031	9,814,653	10,387,438
Finance cost	(5,655,645)	(6,823,214)	(5,655,645)	(6,823,215)
Profit before taxation	64,489,042	59,893,028	51,244,013	54,842,741
Taxation	(1,505,461)	(5,989,258)	5,824,649	1,374,340
Profit from continuing operations	62,983,581	53,903,770	57,068,662	56,217,081
Other comprehensive income				
Exchange difference on translating foreign operations	(9,195,605)	12,613,500	-	-
Total comprehensive income for the half year	53,787,976	66,517,270	57,068,662	56,217,081
Basic earnings per linked unit (in thebe)	11.01	9.42	9.97	9.83
Distribution per linked unit (in thebe)	8.00	7.80	8.00	7.80
Debt interest per linked unit (in thebe)	6.62	2.00	6.62	2.00
Dividend per linked unit (in thebe)	1.38	5.80	1.38	5.80
Number of linked units	572,153,603	572,153,603	572,153,603	572,153,603

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2013

	GROUP		COMPANY	
	31-Jul-14 Pula	31-Jul-13 Pula	31-Jul-14 Pula	31-Jul-13 Pula
ASSETS				
Non-Current Assets	1,797,999,314	1,513,896,656	1,544,876,215	1,350,600,126
Investment property	1,707,038,686	1,430,908,490	986,459,178	781,480,702
Plant and equipment	4,335,972	4,349,923	1,731,356	1,429,463
Goodwill	53,725,272	51,691,926	-	-
Investment in subsidiary	-	-	198,399,517	198,399,513
Other financial assets	-	-	330,606,582	350,076,270
Deferred tax	3,578,731	938,942	3,578,731	938,942
Operating lease asset	29,320,653	26,007,375	24,100,851	18,275,236
Current Assets	81,767,440	88,206,992	67,792,694	73,512,667
Current tax receivable	380,775	1,733,303	380,775	374,225
Operating lease asset	2,543,954	3,855,890	831,628	3,855,890
Cash and cash equivalent	69,478,431	74,738,472	62,033,405	62,972,097
Trade and other receivables	9,364,280	7,879,327	4,546,886	6,310,455
Total Assets	1,879,766,754	1,602,103,648	1,612,668,909	1,424,112,793

EQUITY AND LIABILITIES

	GROUP		COMPANY	
	31-Jul-14 Pula	31-Jul-13 Pula	31-Jul-14 Pula	31-Jul-13 Pula
Stated Capital and Reserves	1,325,672,002	1,102,464,981	1,205,560,691	1,032,887,456
Stated capital	346,420,555	346,420,555	346,420,555	346,420,555
Linked unit debentures	286,076,802	286,076,802	286,076,802	286,076,802
Fair value surplus	522,743,779	337,755,946	502,658,140	338,534,216
Retained earnings	78,031,902	40,113,517	24,632,906	17,162,465
Sinking Fund Reserve	-	637,592	-	637,592
Debt interest and dividend reserve	45,772,288	44,055,826	45,772,288	44,055,826
Foreign currency translation reserve	46,626,676	47,404,743	-	-
Non-Current Liabilities	526,417,728	429,625,092	396,903,764	334,518,794
Borrowings	314,423,930	293,118,131	314,423,930	293,118,131
Deferred tax	211,993,798	136,506,961	82,479,834	41,400,663
Current Liabilities	27,677,024	70,013,575	10,204,454	56,706,543
Trade and other payables	26,987,027	28,407,544	9,514,457	15,100,512
Unclaimed debt interest and dividend	689,997	528,518	689,997	528,518
Borrowings	-	41,077,513	-	41,077,513
Total Liabilities	554,094,752	499,638,667	407,108,218	391,225,337
Total Equity and Liabilities	1,879,766,754	1,602,103,648	1,612,668,909	1,424,112,793

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 JULY 2014

	Stated capital	Linked unit debentures	Fair value surplus	Group		Total equity and reserves
				Foreign Currency translation reserve	Dividends and debt interest reserve	
Opening balance of company at 01 February 2014	346,420,555	286,076,802	522,743,779	55,822,279	53,210,287	1,325,094,311
Profit for the 6 month period	-	-	-	(9,195,603)	-	62,983,581
Other comprehensive income for the 6 month period	-	-	-	(9,195,603)	-	(9,195,603)
Total comprehensive income for the 6 month period	-	-	-	(9,195,603)	-	53,787,976
Final debt interest and dividends paid 31 January 2014	-	-	-	-	(53,210,287)	-
Debt interest and dividends transferred to dividend and debt interest reserve	-	-	-	-	45,772,288	(45,772,288)
Transactions with unit holders recognised in statement of changes in equity	-	-	-	-	(7,437,999)	(53,210,287)
Balance as at 31 July 2014	346,420,555	286,076,802	522,743,779	46,626,676	45,772,288	1,325,672,002

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW FOR THE HALF YEAR ENDED 31 JULY 2014

	GROUP		COMPANY	
	31-Jul-14 Pula	31-Jul-13 Pula	31-Jul-14 Pula	31-Jul-13 Pula
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations	73,832,883	62,443,045	57,950,229	44,079,534
Taxation (paid) received	799,581	(938,431)	226,195	(33,525)
Net cash from operating activities	74,632,464	61,504,614	58,176,424	44,046,009
Net cash from investing activities	(5,481,794)	(159,414)	11,728,011	19,016,945
Net cash from financing activities	(73,911,265)	(69,624,591)	(73,911,264)	(69,624,591)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,760,595)	(8,197,628)	(4,006,829)	(6,479,874)
Cash and cash equivalent at the beginning of the year	74,239,026	82,936,100	66,040,234	69,451,972
Total cash and cash equivalents at the end of the year	69,478,431	74,738,472	62,033,405	62,972,098

SEGMENTAL REPORT

	2014		2013		2014		2013	
	Botswana	Botswana	Tanzania	Tanzania	Consolidated	Consolidated	Consolidated	Consolidated
Primary segment - Geographical segment								
Revenues from external customers	64,736,670	63,968,389	50,086,698	46,131,638	114,823,368	110,100,027	-	-
Inter segment revenues	-	-	-	-	-	-	-	-
Total segment revenues	64,736,670	63,968,389	50,086,698	46,131,638	114,823,368	110,100,027		
Segment property direct and indirect expenses	19,268,327	15,132,275	18,384,234	16,129,151	37,652,561	31,261,426		
Segment operating profit	45,468,343	48,836,114	31,702,464	30,002,487	77,170,807	78,838,601		
Segment Assets	1,083,662,810	875,637,010	796,103,944	726,466,638	1,879,766,754	1,525,300,316		
Secondary segment- Operating segment								
Revenues								
	Botswana	Botswana	Tanzania	Tanzania	Commercial		Consolidated	
Rental income from external customers	50,524,985	50,236,394	26,241,484	22,569,261	14,211,685	13,731,995	23,845,213	23,562,377
Inter segment revenues	-	-	-	-	-	-	-	-
Total segment revenues	50,524,985	50,236,394	26,241,484	22,569,261	14,211,685	13,731,995	23,845,213	23,562,377
Segment expenses	14,483,992	15,226,178	9,890,569	7,189,376	4,784,335	2,474,027	8,493,665	6,371,845
Segment operating profit	36,040,993	35,010,216	16,350,915	15,379,885	9,427,350	11,257,968	15,351,548	17,190,532

Reconciliation of Group profit before tax

	Figures in Pula	Figures in Pula
Total reporting segment operating profit	77,170,806	78,838,601
Professional fee towards acquisition	-	-
Salaries and wages	(5,646,047)	(5,322,935)
Loss on exchange difference	(9,579,684)	(15,533,864)
Profit on exchange differences	6,679,194	13,158,883
Finance income	28,998	25,031
Other income	2,519,087	2,160,956
Corporate expenses	(1,027,666)	(6,610,429)
Operating profit	70,144,687	66,716,243
Finance costs	(5,655,645)	(6,823,214)
Group profit before tax	64,489,042	59,893,028

Segment information is organised into two, geographical and into operating segments which comprises retail and commercial. The segments are the basis on which the company reports its primary segment information. Retail segment comprises Game City, Nzano, Supa Save and Mlimani shopping centres. The commercial segment incorporates properties for office space, residential and industrial properties.

translation effect of converting the US \$ denominated Mlimani Financial Statements into Pula, the Group reporting currency.
 • Interim distribution of 8 thebe per share.

BOARD MEMBERS

Mr N.W Armstrong resigned from the board on 16 April 2014.

INTERIM DISTRIBUTION

The Directors at its Board meeting of the 21st October 2014 approved an interim distribution of 8 thebe per linked unit, split as follows. Debt interest of 6.62 thebe and Dividends of 1.38 thebe per unit in respect of the six months ended 31 July 2014 to all registered unit holders with the company at close of business on 14th November 2014.

Payment of the distribution will be dispatched by the transfer secretaries on or about the 3rd December 2014.

In accordance with the requirements of the Income Tax Act, withholding tax shall be deducted by the company on the payment of interest and dividends paid to residents and non – resident holders of link units who are not exempt from the withholdings tax provisions of the Act.

Dividend income of P7 894 737 is being distributed out of dividend income from an IFSC Company. This is exempt in the hands of ultimate shareholders.

FUTURE AND PROSPECTS

The Company is pleased to announce the imminent expansion projects of its Game City and Mlimani City properties.

The construction contract of the Game City expansion is in the process of being awarded. The expansions will include additional retail space, a fashion avenue, restaurant areas including a food court, entertainment areas and a parkade. The building plans have been approved by the authorities.

building plans have been approved by the authorities.

Mlimani City Tanzania is being expanded to include additional retail and commercial space including basement parking, additions to the Conference Centre and a Botanical Garden. Negotiations with the Tanzanian Investment Centre is being finalised, upon completion of which, construction will commence. Negotiations are also ongoing with 2 shortlisted contractors, for the award of the construction contract.

C M Lekaukau
 Chairman

G H Abdoola
 Managing Director

The Management and the Board of Directors of Turnstar Holdings Limited are pleased to present the Group Financial results, reviewed by the Auditors, for the 6 month period ended 31st July 2014.

The Group consists of Turnstar Holdings Limited (Botswana) Island View (Proprietary) Limited, (Botswana) and Mlimani Holdings Limited (Tanzania). We are pleased to report on the performance of the group.

FINANCIAL HIGHLIGHTS

- 4% increase in lease revenue
- 8% increase in profit before tax
- 17% increase in earnings per linked unit
- 3% increase in operating expenditure

Performance

Exchange Variance

The Pula appreciated against the US \$ between the reporting dates of 1st February 2014 and 31st July 2014. The Pula / US \$ rate as at 1st February 2014 was 9.01. The Pula / US \$ rate as at 31 July 2014 was 8.86. The appreciation of the Pula against the US \$ affected the Group results, in the interim. It is noteworthy that the exchange loss is on translation and is unrealised.

Group subsidiary (Mlimani)

- The subsidiary contributed P50 Million to the total group revenue of P114.8 Million representing a 44% contribution.
- Operating expenses of P16.1 Million to total group operating costs of P36.2 Million representing 44% of group operating costs
- Dividend of P7.9 Million paid to holding company, for the 6 months ended 31st July 2014.

Company (Turnstar)

- Revenue increased by 1%
- Investment income of P9.8M consists of interest earned from investment in debentures of Mlimani Holdings Limited.
- Finance costs reduced by 17% due to repayment of USD loan and reduction in interest rates
- Profit for the interim period ended 31 July 2014 down by 1.5%, due to the exchange rate movement, as compared to the corresponding period of the preceding year.
- Group earnings per share (EPS) are 11.1 thebe per share.
- Group tax charge of P1.5 million comprises wholly of deferred tax charge computed in accordance with IAS 12.
- Group profit before tax increased by 8%.
- Group total comprehensive income decreased by 17%. This is due to the