



## BONATLA PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 1996/014533/06)  
Share code: BNT ISIN: ZAE000013694  
("Bonatla" or "the company" or "the group")

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December 2012 Year	As at 31 December 2011 Year	As at 31 December 2010 Year
	Note	Reviewed R'000	Restated Audited R'000	Audited R'000
<strong>ASSETS</strong>				
<strong>Non-current assets</strong>		<strong>394 381</strong>	404 554	324 629
Property, plant and equipment		50 521	50 063	24 702
Investment property	5	189 500	195 560	189 810
Goodwill		45 000	48 261	3 261
Other intangible assets	6	1	1 102	1 193
Investments	7	54 497	1 548	–
Prepayments		3 684	55 178	55 663
Deferred taxation		50 000	2 361	–
Deposits			50 481	50 000
<strong>Current assets</strong>		<strong>88 695</strong>	77 730	62 283
Inventories		217	487	–
Trade and other receivables		86 601	75 444	60 546
Prepayments – current portion		833	582	582
Cash and cash equivalents		1 044	1 217	1 155
<strong>Non-current assets held for sale</strong>	8	<strong>40 500</strong>	13 000	40 000
<strong>Total assets</strong>		<strong>523 576</strong>	495 284	426 912
<strong>EQUITY AND LIABILITIES</strong>				
<strong>Equity capital and reserves</strong>		<strong>376 829</strong>	382 903	335 880
Share capital	9	256 070	225 840	254 570
Shares to be issued	10	221 857	249 887	190 491
Accumulated loss		(100 180)	(92 076)	(109 181)
Other reserves	11	(918)	(548)	–
Minority interests		–	–	–
<strong>Non-current liabilities</strong>		<strong>80 649</strong>	54 157	46 325
Borrowings – long term	12	54 676	36 883	36 676
Deferred taxation		25 973	17 274	9 649
<strong>Current liabilities</strong>		<strong>66 098</strong>	58 224	44 707
Borrowings – short term	12	28 423	35 044	37 594
Trade and other payables		29 232	12 676	6 002
Bank overdraft		2 521	5 361	–
Taxation		5 922	5 143	1 111
<strong>Total equity and liabilities</strong>		<strong>523 576</strong>	495 284	426 912
		<strong>cents</strong>	cents	cents
Net asset value per share		30.02	31.03	50.78
Net tangible asset value per share		26.44	27.03	50.11
Ordinary shares in issue (including to be issued)		1 255 099 285	1 233 849 285	661 377 814
Diluted asset value per share		30.02	31.03	40.24
Diluted tangible asset value per share		26.44	27.03	39.71
Diluted ordinary shares in issue (including to be issued)		1 255 099 285	1 233 849 285	834 648 934

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 December 2012 Reviewed R'000	For the year ended 31 December 2011 Restated R'000
	Note		
Revenue		29 515	37 653
Cost of sales		(18 215)	(16 052)
Gross margin		11 300	21 601
Other income		20 501	17 240
Operating costs		(34 472)	(22 466)
Goodwill – impairment		–	(36)
Bargain purchase		–	16 927
Fair value adjustment	5	21 440	–
<strong>Profit from operations</strong>		<strong>18 769</strong>	33 266
Investment revenue	13	2 803	2 803
Finance charges		(13 849)	(8 764)
<strong>Profit before taxation</strong>		<strong>4 933</strong>	27 305
Taxation		(7 642)	(9 820)
<strong>(Loss)/profit from continuing operations</strong>		<strong>(2 709)</strong>	17 485
Loss from discontinued operations	14	(5 395)	(380)
<strong>(Loss)/profit for the year</strong>		<strong>(8 104)</strong>	17 105
Other comprehensive loss	15	(370)	(548)
<strong>Total comprehensive (loss)/income for the year</strong>		<strong>(8 474)</strong>	16 557
Represented by:			
Ordinary shareholders – continuing operations		(3 079)	16 937
Ordinary shareholders – discontinued operations		(5 395)	(380)
Ordinary shareholders		(8 474)	16 557
Minority shareholders		–	–
<strong>Total comprehensive (loss)/income for the year</strong>		<strong>(8 474)</strong>	16 557
<strong>Earnings per share information (cents)</strong>			
(Loss)/earnings per share from continuing operations		(0.25)	1.74
(Loss) per share from discontinued operations		(0.44)	(0.04)
Diluted (loss)/earnings per share from continuing operations		(0.25)	1.74
Diluted (loss) per share from discontinued operations		(0.44)	(0.04)
Weighted average ordinary shares in issue for basic and headline earnings/(loss) per share		1 225 698 601	973 002 000
Weighted average ordinary shares in issue for diluted earnings/(loss) per share		1 225 698 601	973 002 000

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		As at 31 December 2012 Reviewed R'000	As at 31 December 2011 Audited R'000
<strong>Cash (outflows) from operating activities</strong>		<strong>(7 364)</strong>	(28 698)
<strong>Cash (outflows)/inflows from investing activities</strong>		<strong>(1 141)</strong>	29 222
<strong>Cash inflows/(outflows) from financing activities</strong>		<strong>11 172</strong>	(5 823)
<strong>Net increase/(decrease) in cash and cash equivalents</strong>		<strong>2 667</strong>	(5 299)
Cash and cash equivalents at the beginning of the year		(4 144)	1 155
<strong>Cash and cash equivalents at the end of the year</strong>		<strong>(1 477)</strong>	(4 144)
Reflected on the statement of financial position as follows:			
Cash and cash equivalents		1 044	1 217
Bank overdraft		(2 521)	(5 361)
<strong>Total per above</strong>		<strong>(1 477)</strong>	(4 144)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Share capital R'000	Convert- ible pre- ference share capital R'000	Share premium R'000	Treasury shares R'000	Shares to be issued R'000	Other reserves R'000	Retained earnings/ (accumu- lated loss) R'000	Total R'000
Balance at									
31 December 2010	5 002	287	249 281	–	190 491	–	(109 181)	335 880	
Ordinary shares to be issued to settle vendor liability	–	–	–	–	47 927	–	–	47 927	
Preference shares converted	–	(287)	(28 443)	–	28 730	–	–	–	
Treasury shares	–	–	–	(17 461)	–	–	–	(17 461)	
Total comprehensive income for the year	–	–	–	–	–	–	(548)	17 105	16 557
Balance at									
31 December 2011	5 002	–	220 838	(17 461)	267 148	(548)	(92 076)	382 903	
Ordinary shares to be issued – cancelled	–	–	–	–	(1 120)	–	–	(1 120)	
Ordinary shares issued (unlisted)	3 495	–	25 235	–	(28 730)	–	–	–	
Ordinary shares (unlisted) issued to settle vendor liability	200	–	1 300	–	(1 500)	–	–	–	
Ordinary shares to be issued to settle vendor liability	–	–	–	–	3 520	–	–	3 520	
Total comprehensive loss for the year	–	–	–	–	–	–	(370)	(8 104)	(8 474)
<strong>Balance at 31 December 2012</strong>	<strong>8 697</strong>	<strong>–</strong>	<strong>247 373</strong>	<strong>(17 461)</strong>	<strong>239 318</strong>	<strong>(918)</strong>	<strong>(100 180)</strong>	<strong>376 829</strong>	

### COMMENTARY

#### 1 Basis of preparation

The reviewed consolidated statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the information as required by IAS 34: Interim Financial Reporting, the Listings Requirements of JSE Limited, and the Companies Act of South Africa (Act 71 of 2008), as amended and were prepared under the supervision of the Group's financial director, Mr DA Scott (CASA). The principal accounting policies, which comply with IFRS, have been consistently applied in all material respects in the current and comparative years.

The results for the year ended 31 December 2012 have been reviewed by Nolsids Inc. and their unmodified report is available for inspection at the company's registered office.

#### 2 Overview

Gross revenue	22% down
Total assets	6% up
Net assets	2% down
Net asset value per share	3% down

#### 3 Commentary on results

2012 has been a year of consolidation with substantial once-off costs incurred. If not incurred, the group's results would have been profitable.

The group incurred the following once-off expenses (R20,013 million) which will not occur in the future:

- R5,395 million loss due to the discontinuation of the Document Storage business.
  - R4,585 million was incurred in legal fees in respect of the Bebinch and Seemaryan litigation (R1,8 million) and the appeal against the Midnight Storm Liquidation order (R2,785 million).
  - R0,370 million of investments was impaired.
  - R5,214 million has been provided for a loss to be incurred on a legal settlement.
  - R4,449 million of loans granted to the Investment Property Holding Companies were impaired and provided for due to insufficient security held.
- Revenue has decreased by 22% due to low production and sales in the manufacturing segment, a risk and performance fee being charged in 2011 and three investment properties being sold in 2011.

#### 4 Segment analysis

For management purposes, the group is organised into six major operating divisions – Leisure, Industrial, Commercial and Retail, Document Storage, a Head Office and Manufacturing. The divisions are the basis on which the group reports its segment information.

All segment assets are located in South Africa.

No revenue is earned from outside South Africa and no revenues are earned from transactions with other operating segments of the same entity. All the revenue is earned from external customers.

## PROVISIONAL REVIEWED CONDENSED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012 AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

#### 4 Segment analysis continued

Segment assets	31 December 2012 R'000	31 December 2011 R'000
Investment Property – Leisure	55 314	55 877
Investment Property – Industrial	51 363	58 188
Investment Property – Commercial and Retail	323 032	303 800
Document Storage	–	6 160
Head Office	21 859	18 769
Manufacturing	72 008	52 490
Consolidated	523 576	495 284

- The Document Storage business was discontinued during the financial year.
- The Investment Property – Commercial and Retail segment assets increased due to The Heights buildings being fair valued by R22.4 million.
- The Manufacturing segment assets increased due to the minority shareholders accepting the year's losses of R19.3 million and their loan accounts increasing by this amount.
- The non-current assets held for sale of R40,500 million are reflected in the Investment Property – Commercial and Retail segment.

#### Segment liabilities

	Before re-allocation 31 December 2012 R'000	Re-allocation 31 December 2012 R'000	After re-allocation 31 December 2012 R'000	31 December 2011 R'000
Investment Property – Leisure	26 414	(19 000)	8 414	27 793
Investment Property – Industrial	47 401	35 000	82 401	35 970
Investment Property – Commercial and Retail	–	–	–	764
Document Storage	–	–	–	–
Head Office	57 706	(9 000)	48 706	34 245
Manufacturing	15 226	(8 000)	7 226	13 609
Consolidated	146 747	–	146 747	112 381

- The Document Storage business was discontinued during the financial year.
- The Investment Property – Commercial and Retail liabilities (before the re-allocation) increased due to the deferred tax of R6,129 million on the fair value adjustments, R4,0 million additional finance raised, and maintenance costs of R1,915 million being incurred.
- The Head Office segment liabilities increased due to R7.7 million as a down payment for the sale of Bishops Court Place Properties (Pty) Limited (which took place in 2013), R5,214 million owing in terms of a loss incurred in respect of a legal settlement and the increase in loans and interest from related parties.
- The re-allocation relates to Nedbank facilities, previously sitting in the Investment Property – Industrial, the Manufacturing and the Head Office segments, now re-allocated to the Investment Property – Commercial and Retail segment. The restructuring of the Nedbank facility was done in order to match medium-term commitments with a medium-term facility and to reduce the cost of borrowings.

#### Segment revenue

	2012 Total segment revenue R'000	2012 Less inter- segment revenue R'000	2012 Net segment revenue R'000	2011 Total segment revenue R'000	2011 Less inter- segment revenue R'000	2011 Net segment revenue R'000
Investment Property – Leisure	–	–	–	–	–	–
Investment Property – Industrial	5 184	(5 184)	–	4 695	(3 700)	995
Investment Property – Commercial and Retail	28 647	–	28 647	25 598	–	25 598
Head Office	–	–	–	7 134	(848)	6 286
Manufacturing	868	–	868	4 774	–	4 774
From continuing operations	34 699	(5 184)	29 515	42 201	(4 548)	37 653
Discontinued operations	–	–	–	–	–	–
Document Storage	–	–	–	2 938	–	2 938

- The Head Office revenue declined due to a risk and performance fee being charged in 2011.
- The Manufacturing revenue declined due to downtime as a result of maintenance problems incurred on the carboniser and activator.
- The Document Storage operation was discontinued in order to concentrate on the Investment Property business.

#### Segment results

	Head Office R'000	Leisure R'000	Indus- trial R'000	Commer- cial and Retail R'000	Docu- ment Storage R'000	Manu- fact- uring R'000	Total 2012 R'000	Total 2011 R'000
<strong>Results from operating activities before items detailed below</strong>	(2 136)	70	(5 199)	(12 323)	–	(16 903)	(36 491)	(42 161)
Inter-segment rental revenue	–	–	5 184	–	–	–	5 184	3 700
Inter-segment management fees	1 599	–	–	–	–	–	1 599	848
<strong>Results from operating activities before items detailed below</strong>	(537)	70	(15)	(12 323)	–	(16 903)	(29 708)	(37 613)
Accounting fees	150	–	–	2	–	–	152	172
Audit fees	1 023	–	–	–	–	–	1 023	525
Bad debts	3 125	–	–	100	–	48	3 273	–
Commissions	30	–	–	1 115	–	–	1 145	88
Consulting fees	1 142	3	6	663	–	656	2 470	2 377
Depreciation	11	–	429	8	–	12	460	99
Directors' salaries and fees	2 140	–	–	–	–	–	2 140	2 517
Forex loss	–	–	–	–	–	–	–	296
Guarantees	–	–	–	–	–	–	–	168
Impairments	2 524	–	–	1 410	–	–	3 934	–
Insurance	10	–	–	264	–	366	640	706
JSE compliance costs	1 008	–	–	–	–	–	1 008	1 601
Lease payments	–	583	–	–	–	–	583	600
Management fees – inter-segment	–	–	40	1 569	–	–	1 599	848
Legal costs	2 135	–	–	123	–	23	2 281	3 906
Loss incurred on legal settlement	5 214	–	–	–	–	–	5 214	–
Pension fund contributions	–	–	–	–	–	684	684	703
Rent	271	–	–	–	–	184	5 455	3 902
Repairs and maintenance	–	–	–	–	–	906	906	1 564
Salaries and wages	354	–	–	–	–	5 130	5 484	4 989
Securities transfer tax	–	–	–	–	–	–	–	7
Secretarial fees	70	5	4	59	–	–	138	234
Security costs	3	–	–	–	–	180	183	187
Travel local	353	–	–	–	–	40	393	158
Valuation fees	(5)	–	–	–	–	–	(5)	135
Water and electricity	2	–	–	–	–	–	2	4
Results from operating activities	19 023	661	464	(7 020)	–	(3 674)	9 454	(11 827)
Inter-segment rental expense	–	–	–	–	–	(5 184)	(5 184)	(3 700)
Inter-segment management fee	–	–	(40)	(1 559)	–	–	(1 599)	(848)
Net results from operating activities	19 023	661	424	(8 579)	–	(8 858)	2 671	(16 375)
Investment revenue	–	–	–	–	–	–	(13)	(2 803)
Finance charges	–	–	–	–	–	–	13 849	8 764
Headline (profit)/loss before adjustments	–	–	–	–	–	–	16 507	(10 414)
Fair value adjustment	–	–	–	–	–	–	(21 440)	–
Impairment – goodwill	–	–	–	–	–	–	–	36
Bargain purchase	–	–	–	–	–	–	–	(16 927)
Profit before tax	–	–	–	–	–	–	(4 933)	(27 305)
Taxation	–	–	–	–	–	–	7 642	9 820
Loss from discontinued operations	–	–	–	–	–	–	5 395	380