



BONATLA PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1996/014533/06)

Share code: BNT ISIN code: ZAE000013694

("Bonatla" or "the company")

ABRIDGED CONSOLIDATED BALANCE SHEETS

	As at 30 June 2009 Six months Reviewed R'000	As at 30 June 2008 Six months Reviewed R'000	As at 31 Dec 2008 12 months Audited R'000
ASSETS			
Non-current assets	199 068	45 321	54 270
Goodwill	1 150	6 476	1 150
Prepayments	38 015	38 409	38 212
Investment property	159 900	–	14 900
Deferred tax	–	87	–
Intangible assets	1	13	5
Property, plant and equipment	2	336	3
Current assets	2 668	3 078	2 837
Trade and other receivables	2 236	2 607	2 266
Prepayments – current portion	394	197	394
Cash and cash equivalents	38	274	177
Total assets	201 736	48 399	57 107
EQUITY AND LIABILITIES			
Equity capital and reserves	174 492	32 470	31 137
Share capital	83 926	83 926	83 926
Shares to be issued	160 700	44 200	46 700
Revaluation reserve	–	2	–
Accumulated loss	(70 134)	(95 658)	(99 489)
Non-current liabilities	20 389	11 475	20 186
Borrowings – long-term	18 744	11 475	18 567
Deferred taxation	1 645	–	1 619
Current liabilities	6 855	4 454	5 784
Borrowings – short-term	1 240	1 277	1 560
Trade and other payables	5 582	3 111	4 224
Bank overdraft	–	46	–
Taxation	33	20	–
Total equity and liabilities	201 736	48 399	57 107
	cents	cents	cents
Net asset value per share	36,42	13,02	12,13
Net tangible asset value per share	36,18	10,24	11,69
Shares in issue (including to be issued)	479 096 954	249 439 978	256 596 954

ABRIDGED CONSOLIDATED INCOME STATEMENTS

	For the six months ended 30 June 2009 Reviewed R'000	For the six months ended 30 June 2008 Reviewed R'000	For the 12 months ended 31 Dec 2008 Audited R'000
Revenue	1 065	2 097	196
Cost of sales	–	(925)	–
Gross profit	1 065	1 172	196
Other income	31 036	183	1 198
Operating costs	(2 240)	(3 352)	(6 121)
Results from operating activities	29 861	(1 997)	(4 727)
Interest received	17	1	–
Finance charges	(464)	(745)	(1 853)
Loss before taxation	29 414	(2 741)	(6 580)
Taxation	(59)	–	8
Loss after taxation	29 355	(2 741)	(6 572)
	cents	cents	cents
Earnings per share information			
Earnings/(loss) per share	9,45	(1,48)	(3,55)
Diluted earnings/(loss) per share	9,45	(1,10)	(2,77)
Headline loss per share	(0,53)	(1,48)	(3,55)
Diluted headline loss per share	(0,53)	(1,10)	(2,77)
Shares in issue for basic and headline earnings per share	310 685 352	185 346 954	185 346 954
Weighted average shares in issue for diluted earnings per share	310 685 352	249 439 978	237 399 550

ABRIDGED STATEMENT OF CHANGES IN EQUITY

Group	Share capital R'000	Convertible preference share capital R'000	Share premium R'000	Shares to be issued R'000	Revaluation reserve R'000	Retained earnings/(accumulated loss) R'000	Total R'000
Balance at 31 December 2007	1 853	287	81 786	44 200	–	(92 917)	35 209
Gain on revaluation of plant and equipment	–	–	–	–	2	–	2
Net loss for the six months	–	–	–	–	–	(2 741)	(2 741)
Balance at 30 June 2008	1 853	287	81 786	44 200	2	(95 658)	32 470
Reversal on revaluation of plant and equipment	–	–	–	–	(2)	–	(2)
Shares to be issued	–	–	–	7 700	–	–	7 700
Shares to be issued – cancelled	–	–	–	(5 200)	–	–	(5 200)
Net loss for the remaining six months	–	–	–	–	–	(3 831)	(3 831)
Balance at 31 December 2008	1 853	287	81 786	46 700	–	(99 489)	31 137
Shares to be issued	–	–	–	114 000	–	–	114 000
Net profit for the six months	–	–	–	–	–	29 355	29 355
Balance at 30 June 2009	1 853	287	81 786	160 700	–	(70 134)	174 492

ABRIDGED CASH FLOW STATEMENTS

	Six months as at 30 June 2009 Reviewed R'000	Six months as at 30 June 2008 Reviewed R'000	12 months as at 31 Dec 2008 Audited R'000
CASH (OUTFLOWS) FROM OPERATING ACTIVITIES	(210)	(2 042)	(4 719)
CASH INFLOWS/(OUTFLOWS) FROM INVESTING ACTIVITIES	214	(471)	(7 719)
CASH (OUTFLOWS)/INFLOWS FROM FINANCING ACTIVITIES	(143)	2 623	12 497
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(139)	110	59
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	177	118	118
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	38	228	177

COMMENTARY

1 Basis of preparation

The reviewed interim results for the six months ended 30 June 2009 (prepared in accordance with IAS 34 – Interim Financial Reporting) have been prepared in accordance with accounting policies consistent with those applied in previous periods.

2 Segmental analysis

Segmented assets and liabilities

	30 June 2009 R'000	31 December 2008 R'000	30 June 2008 R'000
Property Investment – Leisure	38 409	38 606	38 803
Property Investment – Industrial	60 858	15 737	1 278
Property Investment – Commercial and Retail	100 000	–	–
Holding company	2 469	2 764	8 318
Consolidated	201 736	57 107	48 399

	30 June 2009 R'000	31 December 2008 R'000	30 June 2008 R'000
Property Investment – Leisure	–	–	–
Property Investment – Industrial	8 902	9 077	1 132
Property Investment – Commercial and Retail	–	–	–
Holding company	18 342	16 893	14 797
	27 244	24 970	15 929

Segment revenues and results by reportable segment: income statement

	Six months ended 30 June 2009 R'000	12 months ended 31 December 2008 R'000	Six months ended 30 June 2008 R'000
Continuing operations			
Property Investment – Leisure	–	–	–
Property Investment – Industrial	1 065	–	–
Property Investment – Commercial and Retail	–	–	–
Holding company	36	1 394	127
Total revenue	1 101	1 394	127

	Six months ended 30 June 2009 R'000	Profit/(loss) 12 months ended 31 December 2008 R'000	Six months ended 30 June 2008 R'000
Property Investment – Leisure	(198)	(448)	(235)
Property Investment – Industrial	744	–	305
Property Investment – Commercial and Retail	–	–	–
Holding company	(1 685)	(4 279)	(2 067)
Total revenue			
Results from operating activities	(1 139)	(4 727)	(1 997)
Investment revenue	17	–	1
Finance charges	(464)	(1 853)	(745)
Bargain purchase	31 000	–	–
Profit/(loss) before taxation	29 414	(6 580)	(2 741)

The segment information according to IFRS 8 does not materially differ from that previously disclosed under IAS 14.

3 Results

Efforts during the financial period under review continued to be focused mainly on being relisted on the JSE. The suspension in the trading of Bonatla's shares was finally lifted on 17 August 2009 resulting in most of the revenue not flowing into the Income Statement (for the six months to 30 June 2009) as per the Circular dated 9 April 2009.

The profit after taxation of R29,355 million includes a bargain purchase on the acquisition of two properties of R31,000 million, being the difference between the last traded share price (40 cents) and the price at which the shares were issued for the purchase of the properties.

The results for the period ended 30 June 2009 have been reviewed by Nolands Inc. and their unmodified review report is available for inspection at the company's registered office.

4 Borrowings

Total borrowings decreased marginally from R20,127 million in December 2008 to R19,984 million in June 2009. As per agreement, no interest was charged by CDA Property Consultants during

REVIEWED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 AND RENEWAL OF CAUTIONARY ANNOUNCEMENT



the six months ended 30 June 2009 on their loan which increased from R12,748 million to R12,959 million. If interest had been charged, the loss would have increased to R2,793 million and the effect of the additional interest on the loss per share and headline loss per share would have been 0,62 cents per share.

5 Acquisition and disposal of subsidiaries

During the period under review, there were no acquisition or disposal of subsidiaries.

6 Related parties

The immediate parent and ultimate controlling party of the group is Bonatla Property Holdings Limited which is incorporated in the Republic of South Africa. Transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation.

	For the six months ended 30 June 2009 R'000	For the six months ended 30 June 2008 R'000	For the 12 months ended 31 December 2008 R'000
Transactions between the group and other related parties are as follows:			
CDA Property Consultants (Pty) Limited			
– asset management fee	–	–	660
– loan account balance (see note 4)	12 959	11 337	12 748
– interest on loan account	–	729	1 421

C Douglas, a director and shareholder of CDA Property Consultants (Pty) Limited, is related to the director, RL Rainier and is also a cheque signatory on the Bonatla Property Holdings Limited's bank account.

	For the six months ended 30 June 2009 R'000	For the six months ended 30 June 2008 R'000	For the 12 months ended 31 December 2008 R'000
Compensation of key personnel			
Executive directors			
– salaries	205	270	580
– fees	–	–	–
Non-executive directors			
– salaries	–	–	–
– fees	–	–	–
	205	270	580

7 Update on acquisitions previously announced

All of the acquisitions announced in the audited results published on 31 March 2009 have either been concluded, or are proceeding. The VLC transaction has been re-structured and the transfer of and payment for the 170 000 square metres of undeveloped bulk land will take place once the objections to the Environmental Impact Assessment have been attended to.

8 Post balance sheet events

The suspension in the trading of the Bonatla shares was finally lifted on 17 August 2009 by the JSE. 60 million ordinary Bonatla shares were issued to the Vendors of the Karbotek property and 100 million ordinary Bonatla shares were issued to the Vendor of the portions 1,15 and 1,16, and all improvements thereon at the Durban Point in respect of the VLC acquisition, both on 2 July 2009.

9 Reconciliation of headline (loss) per share

	For the six months ended 30 June 2009 R'000	For the six months ended 30 June 2008 R'000	For the 12 months ended 31 December 2008 R'000
Profit/(loss) after taxation	29 355	(2 741)	(6 572)
Bargain purchase	(31 000)	–	–
Headline (loss) after taxation	(1 645)	(2 741)	(6 572)

10 Business combinations

	Purchase consideration R'000	Shares to be issued R'000	Bargain purchase R'000
Karbotek acquisition	45 000	24 000	21 000
Erven 1627 and 1628 Escourt extension 15, comprising 17 000 sq. metres of factory and warehousing space and a further 70 000 sq. metres which is zoned for industrial use. The total consideration is R45 million, to be satisfied by the issue of 60 million ordinary shares in the issued share capital of Bonatla at an issue price of 75 cents.			
The acquisition date was 18 May 2009.			
VLC acquisition	100 000	90 000	10 000
Portions 1.15 and 1.16 with all improvements thereon, being Rocsa House and Rocpoint House for a purchase consideration of R100 million, to be satisfied by the issue of 100 million Bonatla shares at an issue price of 50 cents per share, and 62,5 million non-participating, non-redeemable, non-cumulative, compulsory convertible preference shares at 80 cents each.			
The acquisition date was 18 May 2009.			

11 Dividends

No dividends were declared during the period.

12 Share capital

At the shareholders' meeting held on 4 May 2009, approval was given to increase the authorised ordinary share capital to 2 000 000 000 shares to provide for funding of future acquisitions through the issue of shares.

The articles of association were also amended to include the terms of the non-participating, non-redeemable, non-cumulative compulsory convertible preference shares in part satisfaction of the purchase price of the acquisition of 200,000 square metres of bulk and certain improvements thereon located at the Durban Waterfront development.

13 Management of the group

CDA Property Consultants (Pty) Limited resigned as asset managers on 1 January 2009 and this function has been managed by the company during the period under review.

14 Board of Directors

Mr DA Scott
Mr DWB King
Mr DA Johnston
Mr RL Rainier

Mr NG Vontas Re-elected as director on 28 April 2009 in terms of Article 88 of the Articles.
Mr MH Brodie Re-elected as director on 28 April 2009 in terms of Article 91 of the Articles.
Mr SST Ngcobo Re-elected as director on 28 April 2009 in terms of Article 91 of the Articles.

15 Change of auditors

In accordance with updated JSE listing requirements, Bester Viljoen Inc resigned as auditors on 13 February 2009 and Nolands Inc were appointed on the same date.

16 Contingent liabilities

Litigation against Catalyst (Pty) Limited ("Catalyst")

Bonatla Property Holdings Limited has instituted litigations against Catalyst, who were the portfolio managers of Bonatla Property Holdings Limited at the time the interest swap agreement with Nedcor was entered into. The interest swap agreement was not disclosed to the directors of Bonatla Property Holdings Limited by Catalyst. This interest swap resulted in substantial diminution of shareholder value and Bonatla Property Holdings Limited is claiming R30 million from Catalyst.

Summons has been issued and a court date is expected to be allocated in January 2010.

In addition to the above matter, additional issues with respect to general administration and financial management have arisen which may also result in legal action against the representatives, board and management of Broll and Catalyst during their tenure as managers or directors of Bonatla.

Litigation re Saxum

As a result of the conditions precedent as set out in the Saxum acquisition agreement not being fulfilled, Bonatla Property Holdings Limited ("Bonatla") became liable for a penalty owing to Saxum Group (Pty) Limited ("Saxum") amounting to R5 million. R1 million of this penalty was paid to Saxum in cash on 12 July 2007 and an additional R1 million was paid to Saxum in cash on 11 October 2007. On 12 July 2007 20 million of Bonatla's shares were pledged by Dreamworld 5 (Pty) Limited ("Dreamworld"), a company 100% owned by Robin Rainier, the chief executive officer at that time, as security for the penalty. On 2 October 2007, Saxum obtained an unopposed judgement against Bonatla for an amount of R4 million.

Bonatla has applied for the rescission of the judgement granted to Saxum on the basis "that the judgement was granted on information previously unknown to Bonatla as to the agreement relating to the acquisition of Saxum which was not in accordance with the negotiations between Saxum and Bonatla. Further, the penalty does not comply with the penalties as set out in the Conventional Penalties Act, in that it was far in excess of the damages allegedly suffered.

The deposit in trust is R3 837 000 in addition to the R2 000 000 cash disbursed as per above. There are no loan agreements in place with regard to the pledged shares, but an agreement is in place between Bonatla and Dreamworld whereby should the case against Saxum be unsuccessful, Dreamworld has no recourse against Bonatla for the 20 million shares pledged as security therefor. Saxum has undertaken to return the 20 million shares to Dreamworld should Bonatla be successful in the rescission application.

The legal proceedings are in progress and are expected to be resolved in 2010. Bonatla's attorneys are confident of the positive resolution of the matter.

Litigation re The Bebinchand Seevarayan Trust ("The Trust")

The Trust, of whom the beneficiaries are the Seevarayan family, undertook to advance an amount of R35 million to Bonatla as a bridging loan during 2007. Bonatla was liable for both interest and a fee of R3 million, of which R1,5 million was to be paid in advance. Subsequent to the payment of the fee by Bonatla, to date no amount has been paid to Bonatla in terms of the loan agreement. Bonatla is consequently suing The Trust for the return of the R1,5 million due to non-performance by The Trust. The court case has been set for October 2009.

The attorneys of Bonatla are confident of a favourable conclusion to this matter.

There has been no change in the status of the above contingent liabilities since 31 December 2008 to the date of this report.

17 Future prospects

Because of the delayed approval of the circular and the transfer of the related properties, the income from the acquisitions as per circular issued on 11 April 2009 and on 27 July 2009 will only be reflected in the last quarter of the financial year and consequently the group is expected to make a small loss for the year ended 31 December 2009. The full benefits of these acquisitions will only be felt in 2010.

18 Renewal of cautionary announcement

Shareholders are referred to the previous cautionary announcements dated 25 February 2007, 16 April 2007, 17 May 2007, 6 September 2007, 2 July 2008, 4 July 2008, 14 August 2008, 25 September 2008, 30 September 2008, 11 November 2008, 6 January 2009, 18 February 2009, 24 June 2009, 5 August 2009 and 28 August 2009 respectively, and are advised that certain negotiations referred to therein are still in progress. Shareholders are accordingly advised to continue to exercise caution in dealing with Bonatla shares until a further announcement in this regard is made.

28 September 2009
Johannesburg

Directors:

MH Brodie, DA Johnston, SST Ngcobo, DA Scott
DWB King, (CF de Lange – alternate), RL Rainier, NG Vontas

Registered address:

625 Prince George Ave, Brenthurst, Brakpan, 1541

Company Secretary:

Gold Equity Registrars C.C.

Transfer Secretaries:

Computershare Investor Services (Pty) Limited

Auditors:

Nolands Inc.

Asset Managers:

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Sponsors:

Arcay Moela Sponsors (Pty) Limited