



## 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 STATEMENTS OF FINANCIAL POSITION

	As at 30 June 2011 six months Unaudited R'000	As at 30 June 2010 six months Unaudited R'000	As at 31 December 2010 Year Audited R'000
<strong>ASSETS</strong>			
<strong>Non-current assets</strong>	<strong>380 477</strong>	157 312	324 629
Property, plant and equipment	25 294	24 904	24 702
Investment property	216 310	20 750	189 810
Goodwill	3 261	4 418	3 261
Other intangible assets	28 145	1 286	1 193
Investments	2 096	–	–
Prepayments	55 371	55 954	55 663
Deposit	50 000	50 000	–
<strong>Current assets</strong>	<strong>88 846</strong>	7 455	62 283
Trade and other receivables	87 405	6 842	60 546
Prepayments – current portion	582	582	582
Cash and cash equivalents	859	31	1 155
<strong>Non-current assets held for sale</strong>	<strong>42 500</strong>	14 900	40 000
<strong>Total assets</strong>	<strong>511 823</strong>	179 667	426 912
<strong>EQUITY AND LIABILITIES</strong>			
<strong>Equity capital and reserves</strong>	<strong>403 108</strong>	153 608	335 880
Share capital	254 570	254 570	254 570
Shares to be issued	238 308	–	190 491
Accumulated loss	(89 770)	(100 962)	(109 181)
<strong>Non-current liabilities</strong>	<strong>64 795</strong>	20 443	46 325
Borrowings – long term	51 929	19 589	36 676
Deferred taxation	12 866	854	9 649
<strong>Current liabilities</strong>	<strong>43 920</strong>	5 616	44 707
Borrowings – short term	29 653	3 403	37 594
Trade and other payables	8 844	2 213	6 002
Taxation	4 153	–	1 111
Bank overdraft	1 270	–	–
<strong>Total equity and liabilities</strong>	<strong>511 823</strong>	179 667	426 912
	<strong>cents</strong>	cents	cents
<strong>Net asset value per share</strong>	<strong>61.09</strong>	30.71	50.78
<strong>Net tangible asset value per share</strong>	<strong>56.33</strong>	29.57	50.11
<strong>Ordinary Shares in issue (including to be issued)</strong>	<strong>659 815 961</strong>	500 209 728	661 377 814
<strong>Diluted asset value per share</strong>	<strong>42.25</strong>	30.71	40.24
<strong>Diluted tangible asset value per share</strong>	<strong>38.96</strong>	29.57	39.71
<strong>Total shares (ordinary and preference) and including to be issued</strong>	<strong>954 179 000</strong>	500 209 728	834 648 934

### ABRIDGED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the six months ended 30 June 2011 Unaudited R'000	For the six months ended 30 June 2010 Unaudited R'000	For the 12 months ended 31 December 2010 Audited R'000
Revenue	20 477	6 172	24 266
Other income	6 763	17	20
Operating costs	(16 415)	(3 885)	(11 702)
Goodwill – impairment	(35)	–	(38 432)
Bargain purchase	15 927	–	21 840
<strong>Operating profit/(loss)</strong>	<strong>26 717</strong>	2 304	(4 008)
<strong>Results from operating activities</strong>	<strong>26 717</strong>	2 304	(4 008)
Interest received	1 501	2	591
Finance charges	(4 978)	(1 341)	(3 417)
<strong>Profit/(loss) before taxation</strong>	<strong>23 240</strong>	965	(6 834)
Taxation	(3 829)	(94)	(514)
<strong>Profit/(loss) after taxation</strong>	<strong>19 411</strong>	871	(7 348)
	<strong>cents</strong>	cents	cents
<strong>Earnings per share information (cents)</strong>			
Earnings/(loss) per share	2.94	0.18	(1.41)
Diluted earnings/(loss) per share	2.33	0.18	(1.33)
Headline earnings per share	0.53	0.40	1.95
Diluted headline earnings per share	0.42	0.40	1.83
Weighted average ordinary shares in issue for basic and headline earnings/(loss) per share	659 689 468	488 007 314	519 933 830
Weighted average ordinary and preference shares in issue for diluted earnings/(loss) per share	834 535 780	488 007 314	553 638 623

### ABRIDGED CONSOLIDATED STATEMENTS 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	Retained earnings/(Accumulated loss) R'000	Total R'000
Balance at 31 December 2009	4 561	287	245 662	1 900	(101 833)	150 577
Shares issued in 2010	441	–	3 619	(1 900)	–	2 160
Profit for the six months	–	–	–	–	871	871
Balance at 30 June 2010	5 002	287	249 281	–	(100 962)	153 608
Shares to be issued in 2011	–	–	–	190 491	–	190 491
Net (loss) for the six months	–	–	–	–	(8 219)	(8 219)
Balance at 31 December 2010	5 002	287	249 281	190 491	(109 181)	335 880
Shares to be issued in 2011	–	–	–	47 817	–	47 817
Net profit for the six months	–	–	–	–	19 411	19 411
<strong>Balance at 30 June 2011</strong>	<strong>5 002</strong>	<strong>287</strong>	<strong>249 281</strong>	<strong>238 308</strong>	<strong>(89 770)</strong>	<strong>403 108</strong>

### ABRIDGED CONSOLIDATED STATEMENTS OF CASH FLOW

	As at 30 June 2011 Unaudited R'000	As at 30 June 2010 Unaudited R'000	As at 31 December 2010 Audited R'000
<strong>Cash (outflows) from operating activities</strong>	<strong>(23 448)</strong>	(2 258)	(8 641)
<strong>Cash inflows/(outflows) from investing activities</strong>	<strong>30 099</strong>	(5)	10 889
<strong>Cash (outflows)/inflows from financing activities</strong>	<strong>(8 217)</strong>	1 750	(1 637)
<strong>Net (decrease)/increase in cash and cash equivalents</strong>	<strong>(1 566)</strong>	(513)	611
<strong>Cash and cash equivalents at the beginning of the period</strong>	<strong>1 155</strong>	544	544
<strong>Cash and cash equivalents at the end of the period</strong>	<strong>(411)</strong>	31	1 155

### COMMENTARY

#### 1 Basis of preparation

The unaudited abridged interim results for the six months ended 30 June 2011 (prepared in accordance with IAS 34 – Interim Financial Reporting) have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards and with those applied in previous periods.

#### 2 Overview (from 30 June 2010 to 30 June 2011)

GROSS REVENUE	252% up
HEADLINE PROFIT	304% up
EARNINGS PER SHARE	1 533% up
HEADLINE EARNINGS PER SHARE	32.5% up
TOTAL ASSETS	185% up
NET ASSETS	162% up
NET ASSET VALUE PER SHARE	99% up
INTEREST BEARING DEBT – % OF TOTAL ASSETS	16%

#### 3 Commentary on results

The Board of Directors is pleased to announce that the Group has continued to make increased profits and that the assets under the Group's control have more than doubled resulting in the net asset value per share increasing substantially from 30.71 cents to 61.09 cents.

The Investment Property portfolio, purchased last year, continues to make a substantial contribution to the profit after tax (R3 603 000).

A further three investment property companies were acquired on 30 June 2011 and consequentially did not contribute to these results.

The value of these three investment properties acquired was R69 000 000, two (out of the nine) investment properties were disposed of for R40 000 000 and a further two investment properties, valued at R42 500 000 are in the process of being sold.

#### 4 Segmental analysis

Segmented assets	30 June 2011 six months R'000	30 June 2010 six months R'000	31 December 2010 12 months R'000
Property Investment – Leisure	55 954	56 536	56 245
Property Investment – Industrial	50 218	62 283	94 531
Property Investment – Commercial and Retail	336 373	50 000	245 379
Document storage	5 626	–	5 472
Holding company	24 708	10 848	25 485
Manufacturing	38 944	–	–
Consolidated	511 823	175 792	426 912
<strong>Segmented liabilities</strong>			
Property Investment – Leisure	–	–	–
Property Investment – Industrial	19 286	8 017	769
Property Investment – Commercial and Retail	45 795	–	43 553
Document storage	–	–	5
Holding company	37 263	17 198	46 705
Manufacturing	6 371	–	–
Consolidated	108 715	25 215	91 032
<strong>Segment revenues and results by reportable segment: income statement</strong>			
<strong>Revenue</strong>			
<strong>Continuing operations</strong>			
Property Investment – Leisure	–	–	–
Property Investment – Industrial	1 643	2 163	10 242
Property Investment – Commercial and Retail	10 677	–	6 023
Document storage	–	–	48
Holding company	5 284	–	7 953
Manufacturing	2 873	–	–
Total revenue	20 477	2 163	24 266

## UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011 AND THE RENEWAL OF THE CAUTIONARY ANNOUNCEMENT

#### 4 Segmental analysis continued

	30 June 2011 six months R'000	30 June 2010 six months R'000	31 December 2010 12 months R'000
<strong>Results</strong>			
Property Investment – Leisure	(822)	(291)	(883)
Property Investment – Industrial	1 101	4 539	8 240
Property Investment – Commercial and Retail	7 279	1 500	4 085
Document storage	(148)	–	(251)
Holding company	1 095	(3 244)	2 293
Manufacturing	2 320	–	–
Results from operating activities	10 285	2 304	13 484
Investment revenue	1 501	2	591
Finance charges	(4 978)	(1 341)	(3 417)
Headline profit	7 348	965	10 658
Property revaluation	–	–	(900)
Goodwill – impairment	(35)	–	(38 432)
Bargain purchase	15 927	–	21 840
Profit/(loss) before taxation	23 240	965	(6 834)

#### 5 Business combinations

100% of the shares and loans of the three investment property companies were acquired on 30 June 2011 with Bonatla taking effective control on this date. The details of these acquisitions are detailed below.

Bonatla also acquired 51% of the Karbotek business on 1 January 2011 and the details are detailed below.

The 51% interest in this business was acquired to assist the present management in obtaining the activated carbon kiln and running the business to ensure that it obtained reasonable future returns. The Karbotek business achieved a break-even position for the six months to 30 June 2011.

	Fair value of property	Fair value of other assets and liabilities acquired	Fair value purchase consideration	Bargain (bargain purchase)/ goodwill	Profit/loss for the six months
– Austin Crossing Properties (Pty) Limited – Austin Crossing building	6 000	(110)	4 175	(1 715)	0
– Tropical Paradise Trading 334 (Pty) Limited – Flextronics building	50 000	2 134	37 922	(14 212)	0
– Madeline Street Properties (Pty) Limited – Madeline Street building	13 000	(1 691)	11 344	35	0
	69 000	333	53 441	(15 892)	0
Reflected as					
– Goodwill impaired – per statement of comprehensive income				35	
– Bargain purchase – per statement of comprehensive income				(15 927)	
– Karbotek business	0	27 000	0	27 000	0
The minority shareholders have guaranteed that this business will not make any losses during 2011					
Reflected as					
Other intangible assets (Intellectual Property)				3 000	
Other intangible assets (customer contracts)				24 000	

#### Assets and Liabilities

	Cash	Trade and other receivables	Trade and other payables	Deferred tax	Long-term liabilities	Total
– Austin Crossing Properties (Pty) Limited	48	2 547	(2 614)	(91)	0	(110)
– Tropical Paradise Trading 334 (Pty) Limited	169	4 777	(5 052)	2 240	0	2 134
– Madeline Street Properties (Pty) Limited	5	2 987	(3 099)	(1 584)	0	(1 691)
	222	10311	(10 765)	565	0	333
Karbotek business	(0)	731	(22 544)	(0)	(5 187)	(27 000)
Cash paid	–	–	–	–	–	–
Cash received	222	–	–	–	–	222
Bank overdraft	(3 241)	–	–	–	–	(3 241)
Net Bank overdraft	(3 019)	–	–	–	–	(3 019)

These business combinations were accounted for by applying the acquisition method in which the assets acquired and the liabilities assumed were done at fair value.

#### 6 Investments

As a result of the last three investment property companies acquired in terms of the Section 311 Compromise, Bonatla had to make an investment in these investment property companies' holding companies.

#### 7 Share capital

	Share capital and share premium 000's	No. of shares
Reconciliation		
Shares issued – 31 December 2010		500 209 728
– ordinary share capital	5 002	
– share premium	249 281	
– Preference shares	287	
Total – 31 December 2010	254 570	500 209 728
Shares to be issued		
Ordinary – nine Investment property acquisitions	755	75 479 740
– three Investment property acquisitions	1	126 493
– settle liabilities	840	84 000 000
Total number of ordinary shares in issue (and to be issued)	1 596	659 815 961
Preference – nine Investment property acquisitions	1 748	174 846 512
– three Investment property acquisitions	1 195	119 516 727
Share premium – ordinary and preference	265 271	
Total	269 810	954 179 000
Less fair value of shares to be issued adjustment (three Investment properties companies)	31 101	
Fair value of shares to be issued	238 308	
Weighted average shares in issue for basic and headline earnings/(loss) per share		659 689 468
Weighted average shares in issue for diluted basic and headline earnings/ (loss) per share		834 535 780

#### 8 Borrowings

Total borrowings increased by R7 582 000 from R74 270 000 (at 31 December 2010) to R81 852 000 at 30 June 2011. This increase was used to finance the legal and Section 311 application costs relating to the acquisition of the three Bluezone Property companies.

The majority of the above borrowings will be settled through the future sale of the two Bluezone properties – see non-current assets held for sale.

#### 9 Reconciliation of headline profit/(loss)

	Six months ended 30 June 2011 R'000	Six months ended 30 June 2010 R'000	Year ended 31 December 2010 R'000
Profit/(loss) after taxation	19 411	871	(7 348)
Goodwill – impairment	35	–	38 432
Bargain purchase	(15 927)	–	(21 840)
Headline profit/(loss)	3 519	871	9 244
<strong>Earnings per share information</strong>	<strong>cents</strong>	cents	cents
Earnings/(loss) per share	2.94	0.18	(1.41)
Diluted earnings/(loss) per share	2.33	0.18	(1.33)
Headline earnings per share	0.53	0.40	1.95
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#### 10 Post balance sheet events

Negotiations are currently in progress on the restructuring of the existing preference shares which will be presented to shareholders for approval.

#### 11 Dividends

No dividends were declared during the period.

#### 12 Management of the group

There are no appointed asset managers and this function has been managed by the company during the period under review.

#### 13 Board of Directors

\* Mr RL Rainier – Re-elected as director on 21 July 2011  
# Mr MH Brodie – Re-elected as director on 21 July 2011  
\* Mr DA Scott  
\* Mr DBW King  
\* Mr NG Vontas  
# Mr SST Ngcobo  
\* Ms C Douglas – appointed 16 August 2011  
# Mr I Dawood – appointed 16 August 2011  
# Mr W Voigt – appointed 26 August 2011  
\* = executive directors  
# = non executive directors

#### 14 Future prospects

The investments made by Bonatla have established a solid basis for growth, supported by a conservative total interest bearing debt of 15% of total assets.

The company is engaged in various acquisition negotiations which will be finalised after the approval of the forthcoming circular to shareholders.

#### 15 Renewal of cautionary announcement

Shareholders are referred to the previous cautionary announcements dated 4 January 2011, 20 January 2011, 15 February 2011, 25 March 2011, 6 May 2011, 11 July 2011, 22 August 2011 and 4 October 2011 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 in their securities until a further announcement in this regard is made.

28 October 2011

Johannesburg

#### Directors:

MH Brodie, SST Ngcobo, DA Scott, DWB King, (CF de Lange – alternate), RL Rainier, NG Vontas, Ms C Douglas, Mr I Dawood, Mr W Voigt

#### Registered address:

623 Prince George Avenue, Brenthurst, Brakpan, 1541

#### Company Secretary:

Gold Equity Registrars C.C.

#### Transfer Secretaries:

Computershare Investor Services (Pty) Limited

#### Auditors:

Nolands Inc.

#### Sponsors:

Arcay Moëla Sponsors (Pty) Limited