


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")

ABRIDGED CONDENSED STATEMENTS OF FINANCIAL POSITION

	As at 30 June 2013 6 months Unaudited R'000	As at 30 June 2012 6 months Unaudited R'000	As at 31 December 2012 Year Audited R'000
ASSETS			
Non-current assets	198 649	424 132	394 381
Property, plant and equipment	47 762	49 822	50 521
Investment property	–	220 000	189 500
Goodwill	45 000	45 000	45 000
Other intangible assets	–	1	1
Investments	1 178	1 604	1 178
Prepayments	54 205	54 871	54 497
Deferred taxation	504	2 353	3 684
Deposit	50 000	50 481	50 000
Current assets	119 213	77 444	88 695
Inventories	715	321	217
Trade and other receivables	117 366	74 888	86 601
Prepayments – current portion	583	582	833
Cash and cash equivalents	549	1 653	1 044
Assets held for sale	183 001	13 000	40 500
Total assets	500 863	514 576	523 576
EQUITY AND LIABILITIES			
Equity capital and reserves	375 816	380 119	376 829
Share capital	256 070	227 340	256 070
Shares to be issued	221 857	247 067	221 857
Accumulated loss	(99 666)	(89 183)	(100 180)
Other reserves	(918)	–	(918)
Non-controlling interests	(1 527)	(5 105)	–
Non-current liabilities	30 091	79 375	80 649
Borrowings – long term	22 592	56 070	54 676
Deferred taxation	7 499	23 305	25 973
Current liabilities	31 225	55 082	66 098
Borrowings – short term	11 403	32 619	28 423
Trade and other payables	17 467	14 117	29 232
Bank overdraft	566	1 952	2 521
Taxation	1 789	6 394	5 922
Liabilities associated with assets held for sale	63 731	–	–
Total equity and liabilities	500 863	514 576	523 576
	cents	cents	cents
Net asset value per share	29,94	31,16	30,02
Net tangible asset value per share	26,36	27,47	26,44
Ordinary shares in issue (including to be issued)	1 255 099 285	1 219 849 285	1 255 099 285
Diluted asset value per share	29,94	31,16	30,02
Diluted tangible asset value per share	26,36	27,47	26,44
Total shares (ordinary and preference) and including to be issued	1 255 099 285	1 219 849 285	1 255 099 285

UNAUDITED ABRIDGED INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2013

ABRIDGED CONSOLIDATED STATEMENTS OF CASH FLOW

	As at 30 June 2013 6 months Unaudited R'000	Restated As at 30 June 2012 6 months Unaudited R'000	Restated As at 31 December 2012 6 months Audited R'000
Cash outflows from operating activities	(14 128)	(12 306)	(7 364)
Cash inflows/outflows from investing activities	20 461	(611)	(1 141)
Cash (outflows)/inflows from financing activities	(4 168)	16 762	11 172
Net increase in cash and cash equivalents	2 165	3 845	2 667
Cash and cash equivalents at the beginning of the period	(1 477)	(4 144)	(4 144)
Cash and cash equivalents at the end of the period	688	(299)	(1 477)

ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Treasury shares R'000	Shares to be issued R'000	Restated Other reserves R'000	Retained earnings/ (Accumu- lated loss) R'000	Non- controlling interests R'000	Total R'000
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	200	1 300		(1 500)				–
Net profit/(loss) for the six months						3 441	(5 105)	(1 664)
Balance at 30 June 2012	5 202	222 138	(17 461)	264 528	(548)	(88 635)	(5 105)	380 119
Ordinary shares issued	3 495	25 235		(28 730)				–
Ordinary shares to be issued				3 520				3 520
Net profit/(loss) for the six months					(370)	(11 545)	(14 147)	(26 062)
Equity contribution							19 252	19 252
Balance at 31 December 2012	8 697	247 373	(17 461)	239 318	(918)	(100 180)	–	376 829
Net profit/(loss) for the six months						514	(1 527)	(1 013)
Balance at 30 June 2013	8 697	247 373	(17 461)	239 318	(918)	(99 666)	(1 527)	375 816

COMMENTARY
1. Basis of preparation

The unaudited abridged interim results for the six months ended 30 June 2013 (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. Commentary on results

The revenue increased in the period under review by 29,23%, cost of sales decreased by 44,71% while operating costs remained static. The increase in revenue is mainly attributable to performance fees charged. The gearing ratio of the company reduced from 23,3% to 19,6%. This allowed the group to place itself in a stronger financial position for sustainability and growth of its operations.

3. Segmental analysis

The basis of segmentation has remained the same as used in the last annual financial statements.

	30 June 2013 6 months R'000	30 June 2012 6 months R'000	31 December 2012 12 months R'000
Segmented assets			
Investment property – Leisure	55 037	55 586	55 314
Investment property – Industrial	45 443	50 409	51 363
Investment property – Commercial and Retail	258 324	333 162	323 032
Head office	64 100	19 768	21 859
Manufacturing	77 959	55 651	72 008

7. Share capital

	Share capital and share premium 000's	Number of shares
Reconciliation		
Shares issued – 31 December 2012	8 697	869 724 813
– ordinary share capital	8 697	
– share premium	247 373	
Total – 30 June 2013	256 070	869 724 813

8. Shares to be issued

Ordinary – 12 Bluezone property acquisitions	268 971	369 969 272
– settle liabilities	7 520	85 250 000
Total number of ordinary shares in issue (and to be issued)	276 491	455 219 272
Less:		
Fair value of shares to be issued – adjustment (three Investment properties companies acquired in 2011)	(37 173)	–
Treasury shares	(17 461)	(69 844 800)
Fair value shares to be issued at 30 June 2013	221 857	385 374 472
Total issued shares and shares to be issued		1 255 099 285
Weighted average shares in issue for basic and headline earnings/(loss) per share		1 255 099 285
Weighted average shares in issue for diluted basic and headline earnings/(loss) per share		1 255 099 285

9. Minority interests

The minority shareholders in the activated carbon and charcoal business shared in their proportions of the loss (R1,53 million) made during the first six months of 2013.

10. Borrowings

Total borrowings decreased from R83,0 million to R73,5 million at 30 June 2013.

11. Loss from discontinued operations

	6 months ended 30 June 2013 R'000	6 months ended 30 June 2012 R'000	Year ended 31 December 2012 R'000
The net cash inflows from the discontinued operations is as follows:			
Cash inflows from operating activities	–	–	31
Cash inflows from investing activities	–	–	–
Cash inflows from financing activities	–	–	–
Net increase in cash and cash equivalents	–	–	31
Cash and cash equivalents at the beginning of the period	–	–	(31)
Cash and cash equivalents at the end of the period	–	–	–
Reflected on the statements of financial position as follows:			
Cash and cash equivalents	–	–	–
Bank overdraft	–	–	–
Total as per above	–	–	–
The breakdown of the loss from discontinued operations is as follows:			
Revenue	–	–	–
Cost of sales	–	–	–
Gross margin	–	–	–
Other income	–	–	–
Operating expenses	–	(5 396)	(5 396)
Results from operating activities	–	(5 396)	(5 396)
Investment income	–	–	–
Finance charges	–	–	–
Loss before taxation	–	(5 396)	(5 396)
Taxation	–	–	–
Loss after taxation	–	(5 396)	(5 396)

12. Reconciliation of headline profit/(loss)

6 months	6 months	Year
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to be issued	1 255 099 285	1 219 849 285	1 255 099 285
ABRIDGED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
	For the 6 months ended 30 June 2013 Unaudited R'000	For the 6 months ended 30 June 2012 Unaudited R'000	For the 12 months ended 31 December 2012 Audited R'000
Revenue	21 257	16 449	29 515
Cost of sales	(6 040)	(10 924)	(18 215)
Gross margin	15 217	5 525	11 300
Other income	35	1 050	1 249
Operating costs	(12 767)	(12 744)	(34 472)
Fair value adjustment	–	24 440	21 440
Goodwill – impairment	(1 387)	–	–
Loss on disposal of subsidiaries	(1 375)	–	–
Operating (loss)/profit	(277)	18 271	(483)
Results from operating activities	(277)	18 271	(483)
Investment revenue	13	1	13
Finance charges	(4 869)	(7 250)	(13 849)
(Loss)/Profit before taxation	(5 133)	11 022	(14 319)
Taxation	4 120	(7 290)	(7 642)
(Loss)/Profit from continuing operations	(1 013)	3 732	(21 961)
Loss from discontinued operations	–	(5 396)	(5 395)
Loss for the period	(1 013)	(1 664)	(27 356)
Other comprehensive loss	–	–	(370)
Total comprehensive loss for the period	(1 013)	(1 664)	(27 726)
Attributable to:			
– owners of the parent – continuing operations	514	8 837	(3 079)
– discontinued operations	–	(5 396)	(5 395)
	514	3 441	(8 474)
– non-controlling interest	(1 527)	(5 105)	(19 252)
Total comprehensive loss for the period	(1 013)	(1 664)	(27 726)
Loss for the period	(1 013)	(1 664)	(27 356)
Attributable to:			
– owners of the parent – continuing operations	514	8 837	(2 709)
– discontinued operations	–	(5 396)	(5 395)
	514	3 441	(8 104)
– non-controlling interest	(1 527)	(5 105)	(19 252)
Loss for the period	(1 013)	(1 664)	(27 356)
Earnings per share information (cents)			
Earnings/(loss) per share	0,04	0,28	(0,66)
Diluted earnings/(loss) per share	0,04	0,28	(0,66)
Headline earnings/(loss) per share	0,26	(1,00)	(1,54)
Diluted headline earnings/(loss) per share	0,26	(1,00)	(1,54)
Weighted average ordinary shares in issue for basic and headline earnings/(loss) per share	1 255 099 285	1 219 849 285	1 225 698 601
Weighted average ordinary and preference shares in issue for diluted earnings/(loss) per share	1 255 099 285	1 219 849 285	1 225 698 601

Head office	64 100	19 768	21 859
Manufacturing	77 959	55 651	72 008
Consolidated	500 863	514 576	523 576
	30 June 2013 6 months R'000	30 June 2012 6 months R'000	31 December 2012 12 months R'000
Segmented liabilities			
Investment property – Leisure	–	–	–
Investment property – Industrial	7 952	8 014	8 414
Investment property – Commercial and Retail	65 501	79 521	82 401
Head office	47 130	39 649	48 706
Manufacturing	4 464	7 273	7 226
Consolidated	125 047	134 457	146 747

The investment property assets and liabilities reduced in tandem as a consequence of the disposal of property assets.

Segment revenues and results by reportable segment: income statement

	30 June 2013 6 months R'000	30 June 2012 6 months R'000	31 December 2012 12 months R'000
Net revenue after elimination of inter-segment revenue			
Continuing operations			
Investment property – Leisure	–	–	–
Investment property – Industrial	–	–	–
Investment property – Commercial and Retail	12 445	14 655	28 647
Head office	8 200	1 002	–
Manufacturing	612	792	868
Total revenue	21 257	16 449	29 515

	30 June 2013 6 months R'000	30 June 2012 6 months R'000	31 December 2012 12 months R'000
Segment results after elimination of inter-segment revenue and costs			
Investment property – Leisure	(291)	(292)	(661)
Investment property – Industrial	(3 086)	(64)	(424)
Investment property – Commercial and Retail	3 420	4 508	8 579
Head office	8 037	(6 042)	(19 023)
Manufacturing	(5 595)	(4 279)	(10 394)
Results from operating activities	2 485	(6 169)	(21 923)
Investment revenue	13	1	13
Finance charges	(4 869)	(7 250)	(13 849)
Loss before taxation and discontinued operations	(2 371)	(13 418)	(35 759)
Fair value adjustment	–	24 440	21 440
Goodwill – impairment	(1 387)	–	–
Loss on disposal of subsidiaries	(1 375)	–	–
(Loss)/Profit before taxation and discontinued operations	(5 133)	11 022	(14 319)
Taxation	4 120	(7 290)	(7 642)
Loss from discontinued operations	–	(5 396)	(5 395)
Other comprehensive loss		–	(370)
Total comprehensive loss	(1 013)	(1 664)	(27 726)

4. Investment property

Austin Crossing was disposed of for R5,8 million, Bishops Court for R23,0 million, Milestone Place for R9,0 million and Property 259 for R14,0 million. Agreements have been included for the disposals of Milestone Properties and Property 259 with effect from 1 June 2013. Detail of all disposals have been separately announced.

5. Interest in subsidiaries

The company has increased its interest in the activated carbon and charcoal business from 51% to 90%.

6. Non-current assets held for sale

The company intends to dispose of the following investments: Madeline Street, Flextronics, Chambers and Nungu during 2013.

12. Reconciliation of headline profit/(loss)	6 months ended 30 June 2013 R'000	6 months ended 30 June 2012 R'000	Year ended 31 December 2012 R'000
Profit attributable to ordinary equity holders of the parent entity	514	3 441	(8 104)
Goodwill – impairment	1 387	4 261	4 261
Fair value adjustment (net of deferred tax)	–	(19 878)	(15 003)
Loss on disposal of subsidiaries	1 375	–	–
Headline profit/(loss)	3 276	(12 176)	(18 846)
Earnings per share information	cents	cents	cents
Earnings/(loss) per share	0,04	0,28	(0,66)
Diluted earnings/(loss) per share	0,04	0,28	(0,66)
Headline earnings/(loss) per share	0,26	(1,00)	(1,54)
Diluted headline earnings/(loss) per share	0,26	(1,00)	(1,54)
Weighted average shares in issue for basic and headline earnings/(loss) per share	1 255 099 285	1 219 849 285	1 225 698 601
Weighted average shares in issue for diluted basic and headline earnings/(loss) per share	1 255 099 285	1 219 849 285	1 225 698 601

13. Events after the reporting date

The company is engaged in negotiations for certain disposals and acquisitions which are expected to be announced in due course.

14. Dividends

No dividends were declared during the period.

15. Management of the property portfolio

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

The property management function is carried out by CDA Property Consultants (Pty) Limited, of which the sole shareholder is C Douglas, who also is an executive director of Bonatla.

16. Board of directors

* Mr RL Rainier re-elected as director on 28 August 2013
Mr MH Brodie re-elected as director on 28 August 2013
* Mr DA Scott resigned as director on 31 May 2013
* Mr NG Vontas CEO
Mr SST Ngcobo resigned as director on 12 April 2013
* Ms C Douglas
* Mr W Voigt Financial Director
* executive directors
non-executive and independent directors

17. Contingent liabilities

The directors are not aware of any contingent liabilities that, in their opinion, may have a material effect on Bonatla's financial position.

18. Future prospects

The activated carbon and charcoal business is expected to return to profitability in 2014. The facility will be substantially expanded during the forthcoming financial year.

The company is engaged in various disposal and acquisition negotiations which will be finalised in accordance with required shareholders' approval.

19. Change in company secretary

The company secretary changed to Arcay Client Support (Pty) Ltd during the period under review.

20. Preparation of report

This report has been prepared by Wilfried Voigt, Financial Director.

21. Renewal of cautionary announcement

Shareholders are referred to the previous cautionary announcements dated 6 March 2013, 22 April 2013, 5 July 2013, 8 July 2013, 19 August 2013 and 1 November 2013, 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.

4 November 2013
Johannesburg

Directors
MH Brodie, NG Vontas, RL Rainier, C Douglas, W Voigt
Registered address
31, 8th Street, Houghton, Johannesburg, 2198
Company secretary
Arcay Client Support (Pty) Limited
Transfer secretaries
Computershare Investor Services (Pty) Limited
Auditors
Nolands Inc.
Sponsors
Arcay Moela Sponsors (Pty) Limited