



BONATLA PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1996/014533/06)
Share code: BNT ISIN: ZAE00013694
("Bonatla" or "the company" or "the group")

UNQUALIFIED REVIEWED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2005 AND FURTHER CAUTIONARY ANNOUNCEMENT

CONSOLIDATED INCOME STATEMENT

	Unaudited Six months ended 31-Mar 2005 R'000	Unaudited Six months ended 31-Mar 2004 R'000	Audited Year ended 30-Sep 2004 R'000
Revenue	522	23 639	27 663
Operating costs	(1 802)	(19 439)	(23 604)
Operating (loss)/profit	(1 280)	4 200	4 059
Loss on disposal of investment properties	-	-	(1 326)
Fair value adjustment of investment properties	-	-	1 000
Fair value adjustment of investments	-	-	(16 721)
Income from investments	94	1 177	1 480
Fair value adjustment of interest rate swap	(9 777)	2 927	(1 782)
Profit on redemption of debentures	-	-	99
Finance charges	(109)	(23 234)	(21 926)
Net loss before taxation	(11 072)	(14 930)	(35 117)
Taxation (Note 2)	-	700	(210)
Net loss after taxation	(11 072)	(14 230)	(35 327)
(Loss)/Earnings per share (cents)	(5.97)	(7.68)	(19.06)
Headline (loss)/earnings per share (cents)	(5.97)	(7.68)	(18.73)
Weighted average number of shares ('000)	185 347	185 347	185 347
Reconciliation of earnings			
Net loss after taxation	(11 072)	(14 230)	(35 327)
Net after tax adjustments:			
Fair value adjustment to properties	-	-	(1 000)
Fair value adjustment of other financial assets	-	-	369
Profit on redemption of debentures	-	-	(84)
Loss on disposal of investment properties	-	-	1 326
Headline (loss)/earnings	(11 072)	(14 230)	(34 716)

CONSOLIDATED BALANCE SHEET

	Unaudited 31-Mar 2005 R'000	Unaudited 31-Mar 2004 R'000	Audited 30-Sep 2004 R'000
Investment properties	6 008	34 282	6 000
Office furniture and equipment	5	-	-
Investments	2 495	589	2 495
Other current assets	3 108	24 289	5 245
Total assets	11 616	59 160	13 740
Shareholders' equity	(21 009)	(11 331)	(9 937)
Current liabilities	32 625	47 829	23 677
Total equity and liabilities	11 616	36 498	13 740

CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Six months ended 31-Mar 2005 R'000	Unaudited Six months ended 31-Mar 2004 R'000	Audited Year ended 30-Sep 2004 R'000
Net cash flows from operating activities	(1 961)	(21 754)	(24 107)
Net cash (outflows)/inflows from investing activities	(13)	512 039	534 190
Net cash outflows from financing activities	(168)	(478 976)	(502 357)
(Decrease)/Increase in cash and cash equivalents	(2 142)	11 309	7 726

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Convertible debentures R'000	Distributable reserve R'000	Total R'000
Balance at 1 October 2003	1 853	147 017	8 000	(30 806)	126 064
Redemption of debentures	-	-	(8 000)	-	(8 000)
Return of capital to shareholders	-	(92 674)	-	-	(92 674)
Net loss for year ended 30 September 2004	-	-	-	(35 327)	(35 327)
Balance at 1 October 2004 - audited	1 853	54 343	-	(66 133)	(9 937)
Net loss for period ended 31 March 2005	-	-	-	(11 072)	(11 072)
	1 853	54 343	-	(77 205)	(21 009)

NOTES TO THE REVIEWED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2005

1. Accounting policies

The interim report is prepared on the historical cost basis except for the revaluation of investment property and certain financial instruments in accordance with South African Statements of Generally Accepted Accounting Practice. As indicated in the financial report for the year ended 30 September 2004 that is being published simultaneously with this report, the then incumbent directors intended to liquidate the company after sale of the entire property portfolio, but could not pursue this course of action due to the size of the liability arising from the interest rate swap agreement.

The Board has now made arrangements, as indicated below, to fund the repayment of the interest rate swap liability and recapitalise the group to enable it to continue as a going concern.

The results were reviewed by the company's auditors Grant Thornton. Their unqualified report is available for inspection at the company's registered office.

2. Taxation

	Unaudited Six months ended 31-Mar 2005 R'000	Unaudited Six months ended 31-Mar 2004 R'000	Audited Year ended 30-Sep 2004 R'000
Current	-	700	932
Prior year over-provision	-	-	(696)
Deferred	-	-	(26)
	-	700	210

3. Operating activity

The audited annual financial statements for the years ended 30 September 2003 and 2004 have been published simultaneously with the interim results. The interim net loss after taxation is attributable to the cost of setting up new administration and management of the company, and the (R9 777 000) fair value adjustment of the interest rate swap.

4. The interest rate swap resolution

The interest rate swap was closed in February 2005 and its final balance was R26 133 000.

A fair value adjustment of (R9 777 000) impacted on the income statement for the period.

Current liabilities include an amount of R26 133 000 arising from the closure of the interest rate swap.

Subsequent to the reporting date, the group has raised finance to fund the repayment of the indebtedness to its bankers arising from the finalisation of the arrangement.

In terms of the arrangement between the company and the bankers, the latter will procure that a third party will subscribe at a subscription price of R0.01 together with a premium thereon of R0.99 per preference share for:

- 8 000 000 cumulative redeemable "A" shares in the company; and
- 19 730 140 convertible "B" preference shares in the company.

The proceeds of these preference share issues will be used exclusively to repay the interest rate swap indebtedness.

The "A" preference shares will confer the right upon the holder to receive out of the profits of the company "A" preference dividends in priority to any payments of dividends to holders of any other classes of shares in the capital of the company (including any other class of preference share and ordinary share).

"A" preference dividends will be cumulative preferential cash dividends per "A" preference shares calculated on a daily basis on the subscription price at the applicable percentage on 31 July and 31 January of each year.

The applicable percentage will be 85% per annum of the prime rate and a penalty rate of the prime rate plus 2% on arrears. The "A" preference dividends in respect of any "A" preference shares will accrue up to the redemption date.

The "A" preference shares are to be redeemed on the 5th anniversary of the subscription date.

The "B" preference shares will confer the right upon the holder to receive out of the profits of the company "B" preference dividends in priority to any payments of dividends to holders of any other

classes of shares in the capital of the company, save only for the holders of any "A" preference shares.

"B" preference dividends will be cumulative preferential cash dividend per "B" preference shares calculated on a daily basis on the subscription price at the applicable percentage on 31 July and 31 January of each year.

The applicable percentage will be 85% per annum of the prime rate and a penalty rate of the prime rate plus 2% on arrears. The "B" preference dividends in respect of any "B" preference shares will accrue up to the conversion date.

The "B" preference shares are to be converted on the 5th anniversary of the subscription date to ordinary shares at the market value per ordinary share in the share capital of the company.

The aforesaid agreements are subject to certain suspensive conditions and in the event that all the suspensive conditions relating to the issue of the "A" and "B" preference shares are not fulfilled by the due date therefore, the bankers have agreed that they will upon receipt of a written notice to that effect from the third party and the company, subordinate the group's interest rate swap indebtedness, as follows:

- It will not demand or accept repayment of the interest swap indebtedness or any portion thereof if the effect of such repayment would be that group's liabilities would exceed its assets fairly valued.
- It will agree not to demand or accept repayment of the interest rate swap indebtedness or any portion thereof if the effect of such repayment would be that the group's liabilities exceeds its assets fairly valued.
- The written notice from the company and the third party confirming that all the suspensive conditions have not been fulfilled by due date will only be effective if they are received by the bankers before 28 February 2006.

5. Directorate and management

Messrs B van der Ross and S Meltzer resigned on 12 January 2005. Mr R L Rainier was appointed on 28 December 2004. Mrs H Dudley was appointed on 12 January 2005 together with Mr A Platt. CDA Property Consultants (Pty) Ltd were appointed the Asset Managers of the company on 12 January 2005. Mr M H Brodie remained on the Board, and was appointed Chairman on 12 January 2005.

6. Strategy

It is the intention of the Board now that the solvency of the company has been secured and the financial statements published to purchase certain portfolios which have been identified. Furthermore the company is implementing a BEE strategy in line with the South African Property Charter.

FURTHER CAUTIONARY ANNOUNCEMENT

Further to the previous cautionary announcement, shareholders are advised that negotiations are continuing which, if successfully concluded, will have a material effect on the shares of the company. Shareholders are accordingly advised to continue to exercise caution in dealing in the company's shares until a further announcement in this regard is made.

By order of the Board

Johannesburg
16 November 2005

Directors

M H Brodie (Independent Non-executive Chairman), R L Rainier (Executive), A Platt (Independent Non-executive), H Dudley (Non-executive)

Company Secretary

Corporate Statutory Services (Pty) Ltd

Registered Office

PO Box 724, Melville 2019

Sponsor

LPC Manhattan (Pty) Ltd

Transfer Secretary

Computershare Investor Services 2004 (Pty) Ltd
70 Marshall Street, Johannesburg, 2001

