UNAUDITED ABRIDGED GROUP INTERIM RESULTS FOR THE HALF YEAR ENDED 31 JULY 2019

Directors: P K Balopi(Chairman), G H Abdoola (MD), I Nshakazhogwe (resigned 29.07.2019), S Puvimanasinghe
M Nteta , P Pillar , P Bezuidenhout

Registered Office : Acumen Park, Plot 50370, Fairground Office Park, P O Box 1172 Gaborone

Transfer secretaries: Grant Thornton Business Services (Proprietary) Limited,
Auditors: Grant Thornton, Acumen Park, Plot 50370 Fairgrounds, Gaborone , P. O. Box 1157, Gaborone, Botswana

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			COMPANY		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	31-Jul-19	31-Jul-18	31-Jan-19	31-Jul-19	31-Jul-18	31-Jan-19
	Pula	Pula	Pula	Pula	Pula	Pula
Continuing operations						
Rental income	134,079,340	125,606,504	258,562,138	75,115,917	71,935,878	148,036,224
Other income	1,843,371	1,297,627	3,275,071	1,086,292	751,845	1,883,998
Operating expenses	(58,290,404)	(54,898,469)	(116,396,806)	(32,784,933)	(31,412,916)	(66,765,544)
Dividend income from subsidiary	-	-	-	2,578,462	1,674,675	4,307,369
Operations profit	**77,632,307**	**72,005,662**	**145,440,403**	**45,995,738**	**42,949,482**	**87,462,047**
Finance income	201,104	307,616	540,452	22,789,810	21,056,102	44,396,489
Finance cost	(17,057,098)	(16,316,929)	(34,124,007)	(17,057,098)	(16,316,929)	(34,124,007)
Profit before exchange difference and FV	**60,776,313**	**55,996,349**	**111,856,848**	**51,728,450**	**47,688,655**	**97,734,529**
Exchange gain	20,034,015	35,478,041	41,463,643	20,034,015	35,478,041	41,462,828
Exchange loss	(11,150,365)	(21,422,578)	(24,743,443)	(11,150,365)	(21,422,578)	(24,743,443)
Profit before FV	**69,659,963**	**70,051,812**	**128,577,048**	**60,612,100**	**61,744,118**	**114,453,914**
Good will impairment	-	-	(11,534,289)	-	-	
Fair value adjustments	-	-	6,869,297	-	-	36,011,579
Profit before tax	**69,659,963**	**70,051,812**	**123,912,056**	**60,612,100**	**61,744,118**	**150,465,493**
Taxation	(1,572,224)	(1,450,218)	(2,568,241)	(1,382,522)	505,585	(8,345,268)
Profit from continuing operations	**68,087,739**	**68,601,594**	**121,343,815**	**59,229,578**	**62,249,703**	**142,120,225**
Profit from discountinued operations	**-**	**511,988**	**1,011,988**	**-**	**511,988**	**1,011,988**
Profit for 6 months	**68,087,739**	**69,113,582**	**122,355,803**	**59,229,578**	**62,761,691**	**143,132,213**
Other comprehensive income						-
Exchange difference on translating foreign operations	20,097,910	39,202,373	36,064,823	-	-	-
Total comprehensive income for the half year	**88,185,649**	**108,315,955**	**158,420,626**	**59,229,578**	**62,761,691**	**143,132,213**
Basic earnings per linked unit (in thebe)	11.90	11.99	21.21	10.35	10.88	24.84
Distribution per linked unit(in thebe)	9.00	9.00	18.50	9.00	9.00	18.50
Debenture interest per linked unit(in thebe)	8.5493	8.7512	17.7472	8.5493	8.7512	17.7472
Dividend per linked unit(in thebe)	0.4507	0.2488	0.7528	0.4507	0.2488	0.7528
Number of linked units	572,153,603	572,153,603	572,153,603	572,153,603	572,153,603	572,153,603

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP			COMPANY		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	31-Jul-19	31-Jul-18	31-Jan-19	31-Jul-19	31-Jul-18	31-Jan-19
	Pula	Pula	Pula	Pula	Pula	Pula
ASSETS						
Non-Current Assets	**2,476,758,307**	**2,417,592,411**	**2,430,222,798**	**1,910,704,871**	**1,984,650,993**	**1,928,176,303**
Investment property	2,377,783,168	2,314,652,480	2,336,165,032	1,253,563,369	1,212,676,779	1,250,274,363
Plant and equipment	3,839,977	4,307,154	3,666,657	2,634,872	3,096,139	2,596,825
Goodwill	52,217,152	61,277,850	49,743,561	-	-	-
Investment in subsidiary	-	-	-	283,298,584	198,426,377	283,298,585
Loan to related company	-	-	-	239,521,169	229,255,598	231,380,550
Other financial assets	-	-	-	91,949,097	307,583,517	122,659,760
Deferred tax	12,473,981	10,728,740	10,563,533	12,473,981	10,728,740	27,402,687
Operating lease asset	30,444,029	26,626,187	30,084,015	27,263,799	22,883,843	10,563,533
Current Assets	**48,288,054**	**61,175,581**	**54,695,519**	**250,973,826**	**137,133,089**	**227,595,639**
Other financial assets	-	-	-	228,272,088	103,481,209	194,213,858
Current tax receivable	-	1,993,127	382,017	-	382,017	382,017
Operating lease asset	1,550,897	2,330,683	522,950	1,550,897	2,330,683	522,950
Cash and cash equivalent	17,879,547	29,704,467	32,115,739	10,369,028	18,782,280	22,530,615
Trade and other receivables	28,857,610	27,147,304	21,674,813	10,781,813	12,156,900	9,946,199
Non current asset held for sale	**12,000,000**	**11,476,239**	**12,000,000**	**12,000,000**	**11,476,239**	**12,000,000**
Total Assets	**2,537,046,361**	**2,490,244,231**	**2,496,918,317**	**2,173,678,697**	**2,133,260,321**	**2,167,771,942**
EQUITY AND LIABILITIES						
Stated Capital and Reserves	**1,648,450,978**	**1,616,009,078**	**1,614,619,916**	**1,420,246,313**	**1,384,222,892**	**1,413,483,208**
Stated capital	346,420,555	346,420,555	346,420,555	346,420,555	346,420,555	346,420,555
Linked unit debentures	286,076,802	286,076,802	286,076,802	286,076,802	286,076,802	286,076,802
Fair value surplus	568,074,083	556,038,253	568,074,083	621,564,817	587,780,860	621,564,817
Retained earnings	286,816,045	283,370,318	270,222,130	114,690,315	112,450,851	105,066,447
Debenture interest and dividend reserves	51,493,824	51,493,824	54,354,587	51,493,824	51,493,824	54,354,587
Foreign currency translation reserve	109,569,669	92,609,326	89,471,759	-	-	-
Non- Current Liabilities	**815,392,814**	**793,309,815**	**799,976,326**	**711,646,661**	**693,701,000**	**701,802,772**
Borrowings	596,114,707	587,040,099	587,288,912	596,114,707	587,040,099	587,288,912
Deferred taxation	219,278,107	206,269,716	212,687,414	115,531,954	106,660,901	114,513,860
Current Liabilities	**72,259,267**	**80,029,201**	**81,378,773**	**40,842,421**	**54,440,292**	**51,542,660**
Trade and other payables	52,471,270	48,205,754	53,513,680	21,054,424	22,616,845	23,677,567
Borrowings	17,962,818	30,674,847	26,625,387	17,962,818	30,674,847	26,625,387
	247,958	-	-	247,958	-	-
Unclaimed debenture interest and dividend	1,323,030	1,148,600	1,239,706	1,323,030	1,148,600	1,239,706
Bank overdraft	254,191	-	-	254,191	-	-
Liabilities of disposal groups	943,302	896,137	943,302	943,302	896,137	943,302
Total Equity and Liabilities	**2,537,046,361**	**2,490,244,231**	**2,496,918,317**	**2,173,678,697**	**2,133,260,321**	**2,167,771,942**
	-	-	-	-	-	-

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 JULY 2019

	Group						
	Stated capital	Linked unit debentures	Fair value surplus	Foreign Currency translation reserve	Dividends and debenture interest reserve	Retained earnings	Total equity and reserves
Figures in Pula							
Opening balance of group at 01 February 2019	**346,420,555**	**286,076,802**	**568,074,083**	**89,471,759**	**54,354,592**	**270,222,130**	**1,614,619,921**
Profit for the 6 month period						68,087,739	**68,087,739**
Other comprehensive income for the 6 month period				20,097,910			**20,097,910**
Total comprehensive income for the 6 month period	**-**	**-**	**-**	**20,097,910**	**-**	**68,087,739**	**88,185,649**
Final debenture interest and dividends paid 31 January 2019	-	-	-	-	(54,354,592)	-	(62,936,896)
Debenture interest and dividends transferred to dividend and debenture interest reserve					**51,493,824**	**(51,493,824)**	
Transactions with unit holders recognised in statement of changes in equity	**-**	**-**	**-**	**-**	**(2,860,768)**	**(51,493,824)**	**(54,354,592)**
Balance as at 31 July 2019	**346,420,555**	**286,076,802**	**568,074,083**	**109,569,669**	**51,493,824**	**286,816,045**	**1,648,450,978**

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW FOR THE HALF YEAR ENDED 31 JULY 2019

	GROUP			COMPANY		
	Unaudited 31-Jul-19 Pula	Unaudited 31-Jul-18 Pula	Audited 31-Jan-19 Pula	Unaudited 31-Jul-19 Pula	Unaudited 31-Jul-18 Pula	Audited 31-Jan-19 Pula
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash generated from operations	68,043,178	64,644,699	148,371,022	64,975,733	39,857,054	**127,283,476**
Taxation (paid) received	243,206	(355,744)	860,462	243,206	(252,044)	(646,948)
Net cash from operating activities	**68,286,384**	**64,288,955**	**149,231,484**	**65,218,939**	**39,605,010**	**126,636,528**
Net cash from investing activities	**(66,444,662)**	**(2,879,841)**	**(8,190,018)**	**(61,302,612)**	**(806,361)**	**13,880,052**
Net cash from financing activities	**(16,893,872)**	**(81,779,717)**	**(158,516,076)**	**(16,893,872)**	**(61,031,231)**	**(158,516,076)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**(15,052,150)**	**(20,370,603)**	**(17,474,610)**	**(12,977,545)**	**(22,232,582)**	**(17,999,496)**
Cash and cash equivalent at the beginning of the year	32,115,739	49,567,336	49,567,336	22,530,615	40,507,098	40,507,098
Effects of exchange rate movement on cash balances	561,767	507,764	23,013	561,767	507,764	23,013
Total cash and cash equivalents at the end of the year	**17,625,356**	**29,704,497**	**32,115,739**	**10,114,837**	**18,782,280**	**22,530,615**

SEGMENT REPORT

Primary segment - Geographical segment	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18	Figures in Pula 31-Jul-19	Figures in Pula 31-Jul-18
	Botswana	Botswana	Tanzania	Tanzania	Dubai	Dubai	Consolidated	Consolidated
Revenues from external customers	75,115,916	71,935,878	54,441,538	50,003,060	4,521,885	4,179,554	**134,079,340**	125,606,504
Inter segment revenues					-	-	-	-
Total segment revenues	**75,115,916**	**71,935,878**	**54,441,538**	**102,109,166**	**4,521,885**	**4,179,554**	**134,079,340**	**125,606,504**
Segment property direct and indirect expenses	24,414,308	17,472,100	20,890,998	20,465,214	1,476,725	1,434,587	46,782,032	39,371,901
Segment operating profit	**50,701,608**	**54,463,778**	**33,550,540**	**63,440,075**	**3,045,160**	**2,744,967**	**87,297,308**	**86,234,603**
Segment Assets	**1,330,637,759**	**1,397,994,829**	**1,114,819,827**	**1,009,632,697**	**91,588,775**	**82,616,705**	**2,537,046,361**	**2,490,244,231**

Secondary segment- Operating segment	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18	31-Jul-19	31-Jul-18	Figures in Pula 31-Jul-19	Figures in Pula 31-Jul-18
Revenues	Retail						Commercial					
	Botswana	Botswana	Tanzania	Tanzania	Botswana	Botswana	Botswana	Tanzania	Tanzania	Dubai	Consolidated	Consolidated
Rental income from external customers	**69,879,453**	**66,203,778**	**43,487,584**	**38,988,935**	**5,236,463**	**5,732,101**	**10,953,954**	**10,502,137**	**4,521,885**	**4,179,554**	134,079,340	125,606,505
Inter segmental revenues												
Total segment revenues	**69,879,453**	**66,203,778**	**43,487,584**	**38,988,935**	**5,236,463**	**5,732,101**	**10,953,954**	**10,502,137**	**4,521,885**	**4,179,554**	**134,079,340**	**125,606,505**
Segment expenses	23,006,231	16,664,933	15,192,077	17,339,667	1,408,077	807,167	5,698,921	3,125,547	1,476,725	1,434,587	46,782,032	39,371,901
Segment operating profit	**46,873,222**	**49,538,845**	**28,295,507**	**21,649,268**	**3,828,386**	**4,924,934**	**5,255,033**	**7,376,590**	**3,045,160**	**2,744,967**	**87,297,308**	**86,234,604**

	Figures in Pula 31-Jul-19	Figures in Pula 31-Jul-18
Reconciliation of group net profit before tax		
Total reporting segment operating profit	87,297,308	86,234,604
Salaries and wages	(6,001,010)	(6,166,005)
Loss on exchange difference	(11,150,365)	(21,422,578)
Profit on exchange differences	20,034,015	35,478,041
Finance income	201,104	1,297,627
Sundry income	1,843,371	307,616
Corporate expenses	(5,507,361)	(9,360,564)
Operating profit	**86,717,061**	**86,368,741**
Finance costs	(17,057,098)	(16,316,929)
Profit from discountiniung operations	-	511,988
Group profit before tax	**69,659,963**	**70,563,800**

Segment information is organised into two, georaphical and into operating segments which comprises retail and commercial. The segments are the basis on which the company reports its primary segment information. Retail segment comprises Game City, Nzano, Supa Save and Mlimani shopping centres. The commercial segment incorporates office, residential, industrial properties in Botswana,Tanzania and Dubai

The Board of Directors of Turnstar Holdings Limited are pleased to present the Group Financial results, reviewed by the Auditors, for the 6 month period ended 31 July 2019.

The Group consists of Turnstar Holdings Limited (Botswana), Island View (Proprietary) Limited (Botswana), Mlimani Holdings Limited (Tanzania), Turnstar Investments Limited (UAE) and Palazzo Venezia Holdings Limited (UAE). We hereby report on the performance of the group.

OVERVIEW

The Group recorded a total rental revenue of P 134 m, for the half year ended 31 July 2019, which is an increase of 6.75% over the corresponding prior half year. Operational expenses increased by 6.18% to P58.3 million, over the same previous period. The profit from operations is P 77.6 million, a 7.81% increase over the prior half year. Profit after finance costs increased by P 4.78m, (8.54%) to P 60.78 m.
The US Dollar appreciated against the Botswana Pula, during the half year ended 31 July 2019. However the US Dollar appreciation against the Botswana Pula, during the corresponding previous half year ended 31 July 2018, was significantly higher. As such, the Group net forex gain and the translation gains were less than that reported for the previous half year ended 31 July 2018. These foreign exchange translation gains are unrealised and dependant on the US $ / BWP exchange rate at the accounting date.

The Botswana properties were well tenanted during the reporting half year, with vacancy rates being approx. 1%. The Retail mall in Tanzania was fully tenanted and the Conference Centre enjoyed increased patronage. However, the Mlimani Commercial Office space experienced significant vacancies.

The Dubai property continues to perform well.

Group

- Group earnings per share (EPS) is 11.9 thebe per share.
- Group Tax of P1.57 million comprises wholly of deferred tax, calculated in accordance with IAS 12.
- Interim distribution of 9 thebe per linked unit

INTERIM DISTRIBUTION

The Directors have approved interim distribution of 9 thebe per linked unit, split as follows;
Debenture interest of 8.5493 thebe and 0.4507 thebe dividend per share in respect of the six months ended 31 July 2019 to all registered unit holders with the company at close of business on 29th November 2019.

Ex distribution date	27th November 2019
Record date for participation	29th November 2019
Payment date	11th December 2019

In accordance with requirements of the Income Tax Act, withholding tax shall be deducted by the company on the payment of interest and dividends paid to residents and non – residents' holders of link units who are not exempt from the withholdings tax provisions of the Act.

P K Balopi
Chairman

Managing Director
G H Abdoola