

New Frontier Properties Ltd (“the Company”)
(Incorporated in the Republic of Mauritius on 5 June 2014)
(Registration number 123368C1/GBL)
SEM share code: NFP.N000
JSE share code: NFP
ISIN: MU0453N00004

NEW FRONTIER
PROPERTIES

ABRIDGED UNAUDITED CONSOLIDATED RESULTS FOR THE THREE MONTHS ENDED 30 NOVEMBER 2015

The Company has been established in Mauritius as a public company limited by shares holding a Category 1 Global Business Licence. The Company has its primary listing on the Stock Exchange of Mauritius ("SEM") Ltd and a secondary listing on the AltX of the Johannesburg Stock Exchange ("AltX"). The primary objective of the Company is to acquire good quality income generating retail property assets situated in the United Kingdom. The Company's property investments are held by a number of wholly owned subsidiaries (together with the company, "the group").

REPORTING CURRENCY

The Company's results are reported in Pounds Sterling.

BUSINESS REVIEW

Consistent with the Group's strategy to build a portfolio of dominant retail assets in towns in the United Kingdom, the Company raised via private placement a further £43.90 million (net of issue costs) on 17 September 2015. These funds, together with a 5 year term loan for £59.70 million, provided by Deutsche Pfandbriefbank AG were used to purchase The Houndshill Shopping Centre in Blackpool for a consideration of £100.75 million. This modern, fully covered shopping centre in the town's prime pitch offers over 300,000 sq ft which includes 65 retail units and 750 car parking spaces. The centre is anchored by Debenhams, with other major retailers including New Look, River Island, Next and H&M.

The Company transferred its tax domicile to the United Kingdom on 20 October 2015 and elected to join the UK REIT regime with effect from 21 October 2015. The UK REIT regime offers certain tax advantages to the Company and guarantees 90% distribution of the aggregate net property rental income to shareholders.

We are pleased to report the Group produced a recurring profit of £2,232,000 for the period which is slightly ahead of expectations after taking into account the timing of the purchase of The Houndshill Shopping Centre in Blackpool part way through the period. The Group's results for the period was a loss of £513,000 which incorporated the writing off of the acquisition fees associated with the acquisition of The Houndshill Shopping Centre Blackpool.

The Group is focussed on delivering a number of asset management initiatives over the next 12 months to enhance shareholder returns.

Void Rate

Following the acquisition of The Houndshill Shopping Centre, there has been an improvement in the Group's overall void rate from 5.04% in August 2015 to 3.36%, compared to the UK retail void rate of 12.70%. The Group expects the void rate to rise by about 1.00% as some temporary lettings leave the centres after trading over the Christmas period.

Letting Activity and Lease Renewals

During the period the Group has completed 13 leasing events; 7 of which were long term core lettings at an average rent increase of 3.38% above ERV. All tenants with a lease expiry or break option during the period were retained.

The Group continues to have a healthy pipe line of new lettings with 5 units under offer for both short and long term leases.

Net Asset Value

The NAV per share at 30 November 2015, based on the shares in issue totalling 152,774,750, was GBP 0.79.

CHANGES TO THE BOARD

Ms Catherine McIlraith resigned from the Board, effective from 20 October 2015. The Board wishes to thank Ms McIlraith for her valuable contribution to the Company.

The following directors were appointed to the Board, effective from 20 October 2015:

- Mr William Heaney as independent non-executive director; and
- Mr Richard Thomas as independent non-executive director.

PROSPECTS

The UK economy is expanding, with positive GDP growth, falling unemployment and improving household disposable income, resulting in rising retail sales. In this environment, the Company plans to grow assets significantly in the next twelve months and has identified a number of potential acquisitions which it is currently evaluating.

The Group is pleased to announce its intention to migrate its listing from the JSE's ALtX to the JSE's Main Board and is working with its corporate sponsor Java Capital to achieve a primary listing on the JSE Main Board.

DIVIDEND

The Company's dividend policy is to consider declarations of dividends on a six-monthly basis in line with its year end and half year which are August and February. As a result, no dividend has been declared for the period under review.

The Company is proposing to offer shareholders the option to receive a cash dividend or elect to receive a scrip dividend by way of an issue of new New Frontier shares, of the same class as the existing shares. A further announcement will be made in due course.

BASIS OF PREPARATION

These abridged unaudited consolidated results for the three months ended 30 November 2015 have been prepared in accordance with International Financial Reporting Standards, including IAS34 – Interim Financial Reporting, the rules of the SEM and the Listings Requirements of the JSE Limited.

ACCOUNTING POLICIES

The accounting policies adopted are consistent with those published in the audited annual financial statements for the year ended 31 August 2015.

By order of the Board

Osiris Corporate Solutions (Mauritius) Ltd
Company secretary

14 January 2016

NOTES

Copies of this report are available to the public at the registered office of the Company, 20th Floor, Newton Tower, Sir William Newton Street, Port Louis.

Copies of the statement of direct or indirect interest of the Senior Officers of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure of Obligations of Reporting Issuers) Rules 2007 are available to the public upon request to the Company Secretary at the Registered Office of the Company at 20th Floor, Newton Tower, Sir William Newton Street, Port Louis.

This communiqué is issued pursuant to Listing Rules 12.20 and 12.21 and Section 88 of the Securities Act 2005. The Board of New Frontier Properties Ltd accepts full responsibility for the accuracy of the information in this communiqué.

For further information please contact:

JSE sponsor
Java Capital +27 11 722 3050

Company secretary
Osiris Corporate Solutions (Mauritius) Ltd +230 650 4030

NEW FRONTIER PROPERTIES LTD

STATEMENTS OF FINANCIAL POSITION AT 30 NOVEMBER 2015

	THE GROUP	
	30 November	31 August
	2015	2015
	£000	£000
ASSETS		
Non-current assets		
Office equipment	14	-
Investment property	280,976	180,225
Derivative financial instrument	72	175
	<u>281,062</u>	<u>180,400</u>
Current assets		
Trade and other receivables	4,418	2,655
Cash and cash equivalents	4,755	4,985
	<u>9,173</u>	<u>7,640</u>
Total assets	<u><u>290,235</u></u>	<u><u>188,040</u></u>
EQUITY		
Capital and reserves (attributable to owners of the parent)		
Share capital	124,412	80,511
(Revenue deficit)/Retained earnings	(4,409)	834
Owner's interest	<u>120,003</u>	<u>81,345</u>
Non-controlling interests	-	-
Total equity	<u>120,003</u>	<u>81,345</u>
LIABILITIES		
Non-current liabilities		
Borrowings	161,915	102,974
Deferred tax	26	26
	<u>161,941</u>	<u>103,000</u>
Current liabilities		
Trade and other payables	7,574	3,310
Income tax payable	717	385
	<u>8,291</u>	<u>3,695</u>
Total liabilities	<u>170,232</u>	<u>106,695</u>
Total equity and liabilities	<u><u>290,235</u></u>	<u><u>188,040</u></u>

NEW FRONTIER PROPERTIES LTD

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 NOVEMBER 2015

	THE GROUP	
	For the quarter ended 30 November 2015	Period from 01 January 2015 to 31 August 2015
	£000	£000
Rental income	4,341	5,333
Expenses		
Property operating expenses	(666)	(811)
Administrative expenses	(256)	(1,088)
Acquisition related costs	(2,441)	(1,719)
Other income	-	41
Fair value gain on investment property	-	1,225
Loss on disposal of subsidiary company	-	(67)
	<u>978</u>	<u>2,914</u>
Net finance costs	(1,258)	(1,306)
(Loss)/profit before tax	(280)	1,608
Taxation	(233)	(723)
Loss from continuing operations	(513)	885
Profit from discontinued operations	-	54
(Loss)/Profit for the period	<u>(513)</u>	<u>939</u>
Other comprehensive income for the period		
Movement in financial derivatives	(102)	-
Exchange loss arising on retranslation of subsidiary company	-	(11)
Release of exchange difference on disposal of subsidiary company	-	11
Other comprehensive income for the period	<u>(102)</u>	<u>-</u>
Total comprehensive income for the period	<u>(615)</u>	<u>939</u>
Basic (loss)/earnings per share from continuing operations (GBP)	<u>(0.004)</u>	<u>0.013</u>
Headline loss per share (GBP)	<u>(0.004)</u>	<u>(0.004)</u>

NEW FRONTIER PROPERTIES LTD

STATEMENTS OF CHANGES IN EQUITY -FOR THE QUARTER ENDED 30 NOVEMBER 2015

	Share capital	Retained earnings/ (Revenue deficit)	Total	Non controlling interests	Total
	£000	£000	£000	£000	£000
THE GROUP					
Balance at 01 September 2015	80,511	834	81,345	-	81,345
Issue of shares	44,693	-	44,693	-	44,693
Issue costs	(792)	-	(792)	-	(792)
Loss for the period	-	(513)	(513)	-	(513)
Other comprehensive income for the period	-	(102)	(102)	-	(102)
Dividend payment	-	(4,628)	(4,628)	-	(4,628)
Balance at 30 November 2015	124,412	(4,409)	120,003	-	120,003
Balance at 01 January 2015	616	(105)	511	31	542
Issue of shares	84,163	-	84,163	-	84,163
Issue costs	(4,268)	-	(4,268)	-	(4,268)
Profit for the period	-	939	939	-	939
Other comprehensive income for the period	-	-	-	-	-
Disposal of subsidiary company	-	-	-	(31)	(31)
Balance at 31 August 2015	80,511	834	81,345	-	81,345

NEW FRONTIER PROPERTIES LTD

STATEMENTS OF CASH FLOWS - FOR THE QUARTER ENDED 30 NOVEMBER 2015

	THE GROUP	
	For the quarter ended 30 November 2015 £000	Period from 01 January 2015 to 31 August 2015 £000
Cash flows from operating activities		
Cash generated from operations	3,240	1,984
Interest paid	(894)	(1,394)
Net cash generated from operating activities	2,346	590
Cash flows from investing activities		
Acquisitions of subsidiaries, net of cash acquired	(46,932)	(43,940)
Disposal of subsidiary net of cash and cash equivalents disposed	-	(7)
Purchase of office equipment	(14)	-
Interest received	-	6
Expenses incurred in respect of disposal of subsidiary company	-	(89)
Net cash used in investing activities	(46,946)	(44,030)
Cash flows from financing activities		
Payments on borrowings	-	(134,353)
Proceeds from borrowings	5,555	102,886
Proceeds from issue of share capital	44,695	84,163
Payments for share issuance costs	(792)	(4,268)
Dividend payment	(4,628)	-
Net cash generated from financing activities	44,830	48,428
Net (decrease)/increase in cash and cash equivalents for the period	(230)	4,988
Exchange difference	-	(5)
Cash and cash equivalents at the beginning of the period	4,985	2
At 30 November/31 August 2015	4,755	4,985

NEW FRONTIER PROPERTIES LTD

THE GROUP

Basic and headline earnings/(loss) per share	For the quarter ended 30 November 2015	Period from 01 January 2015 to 31 August 2015
	£000	£000
Basic (loss)/earnings from continuing operations attributable to equity holders of the Company	(513)	885
Fair value movement on investment property	-	(1,225)
Loss on disposal of subsidiary	-	67
Headline loss from continuing operations attributable to equity holders of the Company	(513)	(273)
Basic earnings from discontinued operations	-	54
Fair value loss on investment property	-	-
Headline earnings from discontinued operations	-	54
Weighted average number of shares	141,077,309	68,481,218
Basic (loss)/earnings per share from continuing operations (GBP)	(0.004)	0.013
Headline loss per share from continuing operations (GBP)	(0.004)	(0.004)
Basic and headline earnings per share from discontinued operations (GBP)	0.001	0.001