

ABRIDGED UNAUDITED CONSOLIDATED RESULTS

FOR THE THREE MONTHS AND SIX MONTHS ENDED
29 FEBRUARY 2016

New Frontier Properties Ltd
(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" or "the Company" or "the Group")

STATEMENTS OF FINANCIAL POSITION AT 29 FEBRUARY 2016

	THE GROUP	
	29 February 2016 £000	Audited 31 August 2015 £000
ASSETS		
Non-current assets		
Office equipment	14	-
Investment property	280 976	180 225
Derivative financial instrument	-	175
	280 990	180 400
Current assets		
Trade and other receivables	5 121	2 655
Cash and cash equivalents	5 278	4 985
	10 399	7 640
Total assets	291 389	188 040
EQUITY		
Capital and reserves (attributable to owners of the parent)		
Share capital	124 412	80 511
(Revenue deficit)/retained earnings	(5 904)	834
Owner's interest	118 508	81 345
Non-controlling interests	-	-
Total equity	118 508	81 345
LIABILITIES		
Non-current liabilities		
Borrowings	162 741	102 974
Deferred tax	26	26
	162 767	103 000
Current liabilities		
Trade and other payables	9 882	3 310
Income tax payable	232	385
	10 114	3 695
Total liabilities	172 881	106 695
Total equity and liabilities	291 389	188 040

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 29 FEBRUARY 2016

	THE GROUP		
	For the quarter ended 29 February 2016 £000	For the 6 months ended 29 February 2016 £000	Audited Period from 1 January 2015 to 31 August 2015 £000
Rental income	5 717	10 059	5 333
Expenses			
Property operating expenses	(758)	(1 424)	(811)
Administrative expenses	(550)	(806)	(1 088)
Acquisition-related costs	(120)	(2 562)	(1 719)
Other income	-	-	41
Fair value gain on investment property	-	-	1 225
Loss on disposal of subsidiary company	-	-	(67)
	4 289	5 267	2 914
Net finance costs	(1 434)	(2 692)	(1 306)
Profit before tax	2 855	2 575	1 608
Taxation	(68)	(301)	(723)
Profit from continuing operations	2 787	2 274	885
Profit from discontinued operations	-	-	54
Profit for the period	2 787	2 274	939
Other comprehensive loss for the period			
Movement in financial derivatives	(4 282)	(4 384)	-
Exchange loss arising on retranslation of subsidiary company	-	-	(11)
Release of exchange difference on disposal of subsidiary company	-	-	11
Other comprehensive loss for the period	(4 282)	(4 384)	-
Total comprehensive (loss)/income for the period	(1 495)	(2 110)	939
Basic earnings per share (GBP)	0.019	0.015	0.013
Headline earnings/(loss) per share (GBP)	0.019	0.015	(0.004)

*The Company does not have any dilutionary instruments in issue.

RECONCILIATION OF PROFIT FOR THE HALF YEAR TO HEADLINE EARNINGS

	THE GROUP	
	For the 6 months ended 29 February 2016 £000	Audited Period from 1 January 2015 to 31 August 2015 £000
Basic earnings from continuing operations attributable to equity holders of the Company	2 274	885
Fair value movement on investment property	-	(1 225)
Loss on disposal of subsidiary	-	67
Headline earnings/(loss) from continuing operations attributable to equity holders of the Company	2 274	(273)
Basic earnings/(loss) from discontinued operations	-	54
Fair value loss on investment property	-	-
Headline earnings from discontinued operations	-	54
Weighted average number of shares	148 255 284	68 481 218
Basic earnings per share (GBP)	0.015	0.013
Headline earnings/(loss) per share (GBP)	0.015	(0.004)

COMMENTARY

The Company was 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 Alternative Exchange ("AltX") of the Johannesburg Stock Exchange ("JSE"). 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 "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 a private placement, a further £43.90 million (net of issue costs) on 17 September 2015. These funds, together with a five-year term loan for £59.70 million, provided by Deutsche Pfandbriefbank AG were used to purchase The Houndshill Shopping Centre ("Houndshill") 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. Houndshill 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 a 90% distribution of the aggregate net property rental income, calculated on a UK Corporation tax basis, to shareholders.

We are pleased to report that the Group produced a recurring profit of £5.50 million for the period, which is slightly ahead of expectations after taking into account the timing of the purchase of Houndshill part way through the period. The Group's IFRS result for the period was a profit of £2.27 million which incorporated the writing off of the acquisition fees associated with the acquisition of Houndshill. The average annual cost of debt of the Company currently stands at 3.29%.

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

Void rate

Following the acquisition of Houndshill, the Group's overall void rate has remained flat being 5.04% in August 2015 and now stands at 5.30%, compared to the UK average retail shopping centre void rate of 13.80%. This rise was expected from November's 3.36% and was mainly due to the loss of some temporary lettings which were trading over the Christmas period. However, taking account of the current units under offer we expect the void rate to fall to below 4.00% in the near term.

Letting activity and lease renewals

During the period, the Group has completed 16 leasing events; 12 of which were long-term core lettings at an average rent increase of 4.42% above Market Rent. All tenants with a lease expiry or break option during the period were retained.

STATEMENTS OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 29 FEBRUARY 2016

	Share capital £000	Retained earning/ (revenue deficit) £000	Non-controlling interests £000		Total £000
			Total £000	Total £000	
THE GROUP					
Balance at 1 September 2015	80 511	834	-	-	81 345
Issue of shares	44 693	-	-	-	44 693
Issue costs	(792)	-	-	-	(792)
Profit for the period	-	2 274	-	-	2 274
Other comprehensive loss for the period	-	(4 384)	-	-	(4 384)
Dividend payment	-	(4 628)	-	-	(4 628)
Balance at 29 February 2016	124 412	(5 904)	118 508	-	118 508
Balance at 1 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
Disposal of subsidiary company	-	-	-	(31)	(31)
Balance at 31 August 2015	80 511	834	81 345	-	81 345

STATEMENTS OF CASH FLOWS FOR THE HALF YEAR ENDED 29 FEBRUARY 2016

	THE GROUP	
	29 February 2016 £000	Audited 31 August 2015 £000
Cash flows from operating activities		
Cash generated from operations	1 027	1 984
Interest paid	(1 765)	(1 394)
Net cash (used in)/generated from operating activities	(738)	590
Cash flows from investing activities		
Acquisitions of subsidiaries, net of cash acquired	(45 836)	(43 940)
Disposal of subsidiary net of cash and cash equivalents disposed	-	(7)
Purchase of office equipment	(14)	-
Interest received	6	6
Expenses incurred in respect of disposal of subsidiary company	-	(89)
Net cash used in investing activities	(45 850)	(44 030)
Cash flows from financing activities		
Payments on long-term borrowings	-	(134 353)
Proceeds from borrowings	7 607	102 886
Proceeds from issue of share capital	44 694	84 163
Payments for share issuance costs	(792)	(4 268)
Dividend payment	(4 628)	-
Net cash generated from financing activities	46 881	48 428
Net increase in cash and cash equivalents for the period	293	4 988
Exchange difference	-	(5)
Cash and cash equivalents at the beginning of the period	4 985	2
At 29 February 2016/31 August 2015	5 278	4 985

The Group continues to have a healthy pipeline of new lettings with nine units under offer for both short and long-term leases.

Net asset value

The NAV per share at 29 February 2016 was GBP0.78 and this was based on the shares in issue totalling 152 774 750 and net assets of £118.51 million.

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.

Ms Victoria Whitehouse resigned from the Board, effective from 4 April 2016 and is replaced by Nigel Gurkin ACA as finance director who joined our asset manager in January 2016. The Board wishes to thank Ms Whitehouse for her valuable contribution in helping to establish the business.

We are pleased to announce that John Needham ACA, has joined the Board as an independent non-executive director, with effect from 4 April 2016. John will chair the Audit and Risk Committee.

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 12 months and has identified a number of potential acquisitions which it is currently evaluating. Since the announcement of the UK's referendum to decide if the UK remains within the European Union on 23 June 2016, the investment market has slowed waiting for the outcome. We would expect to see more investment opportunities post the vote, regardless of the outcome.

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, in addition to its SEM listing.

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. The Board is pleased to announce that a dividend of 3.6 pence per share (£5.50 million) has been declared for the period under review.

This is our first dividend as a UK REIT and as such we would remind shareholders to review their own tax status. The HMRC withholding tax claim form can be found on our website www.newfrontierprop.com.

Shareholders are advised that the total dividend of 3.6 pence per share will be paid. Further information relating to the proportion of the dividend to be paid as a PID and the dividend tax to be withheld from shareholders on the South African register will be announced separately, together with the exchange rate announcement on 20 April 2016.

The salient dates for the dividend are set out below:

Announcement of exchange rate:	Wednesday, 20 April 2016
Last day to trade cum dividend (JSE):	Thursday, 28 April 2016
Securities trade ex dividend (JSE):	Friday, 29 April 2016
Last day to trade cum dividend (SEM):	Tuesday, 3 May 2016
Securities trade ex dividend (SEM):	Wednesday, 4 May 2016
Record date (JSE and SEM):	Friday, 6 May 2016
Payment date:	Monday, 9 May 2016

No dematerialisation or rematerialisation of share certificates, nor transfer of shares between sub-registers in Mauritius and South Africa will take place between Friday, 29 April 2016 and Friday, 6 May 2016. Shareholders on the South African sub-register will receive dividends in South African Rand, based on the exchange rate to be obtained by the Group on or before Wednesday, 20 April 2016. A further announcement in this regard will be made on or before Wednesday, 20 April 2016.

The Company is proposing in future to offer shareholders the option to receive a cash dividend or elect to receive a scrip dividend by way of an issue of new Company shares of the same class as the existing shares. We are working with our sponsors and the JSE to provide this option.

BASIS OF PREPARATION

These abridged unaudited consolidated results for the six months ended 29 February 2016 and for the three months from 30 November 2015 to 29 February 2016 have been prepared in accordance with International Financial Reporting Standards, including IAS 34 - Interim Financial Reporting, the rules of the SEM and the Listings Requirements of the JSE.

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) Limited

Company secretary

12 April 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 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) Limited +230 650 4030