



UNAUDITED Consolidated interim financial statements

for the three months and the nine months ended 31 March 2015 (the "financial statements")

DELTA INTERNATIONAL PROPERTY HOLDINGS LIMITED
(The "Company")
(Registered by continuation in the Republic of Mauritius)
(Registration number 128881 C1/GBL)
JSE share code: DLI SEM share code: DEL.N0000
ISIN: MU0473N00002 (Old ISIN: BMG2707T1018)

DIRECTORS' COMMENTARY

Nature of the business

The Company was initially incorporated in Bermuda on 16 May 2012 as a Bermudian exempted company under the laws of Bermuda and has been operational since 1 June 2012. The Company was discontinued from Bermuda on 11 March 2015 and was registered by continuation in Mauritius as a public company limited by shares on 11 March 2015. It holds a Category One Global Business Licence as from 13 March 2015.

On 30 March 2015 the Company transferred its primary listing from the Bermuda Stock Exchange to the Stock Exchange of Mauritius Ltd ("SEM"). The Company has a secondary listing on the Alternative Exchange ("AltX") of the Johannesburg Stock Exchange Limited ("JSE"). Delta International is in the process of migrating its listing on the AltX to the main board of the JSE and will maintain two primary listings going forward. The rationale for the migrations was to attract a more diverse shareholder base and to increase the liquidity of the shares.

The Company and its subsidiaries ("Delta International" or "the Group") have embarked on a strategy of acquiring a portfolio of African real estate assets (excluding assets situated in South Africa) in furtherance of its objective of investing in real estate assets that will provide strong sustainable income from high quality tenants. The Group has been significantly restructured since the change in ownership in May 2014.

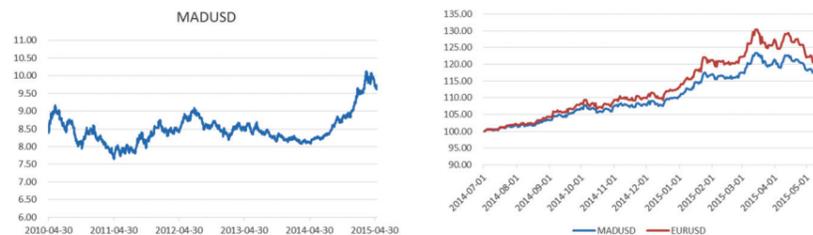
Review

During the three month period from 01 January 2015 the focus has been on restructuring the Group and raising additional capital to complete the acquisition of the Holland Building, the Vodacom Building and Zimpeto Square. These assets are all based in Maputo, Mozambique and are in line with the investment criteria of sustainable income from high quality tenants.

The Anadarko Building in Mozambique is operating as expected and remains 100% occupied. The day to day management of the property has been bedded down and it is generating attractive returns on capital. The development of phase 2 of the Anadarko Building is expected to commence by the end of 2015. In addition to the net rental income to be generated on the leased building, the Group will share in the development fee without taking any development risk. The development fee is based on the Group's existing interest in the land. The development will be pre-committed with a long-term lease to Anadarko and will create favourable growth on forward returns for the Group.

Anfa Place in Morocco is performing well with vacancies improving monthly. McDonald's has recently been signed up as a new tenant. The much anticipated opening of the adjacent Four Season's hotel in September 2015 should see further reductions in vacancies and potential uplift in the footfall. The arrears are monitored continuously with strong efforts on collections which are yielding positive results. Management will continue to work with centre management on bedding down the asset in order to optimise its full potential. From a macro-economic perspective Morocco has seen a record harvest in cereal this year. With agriculture being one of the main industries this should lead to positive GDP growth and potential strengthening of the Moroccan Dirham.

Historically the Moroccan Dirham ("MAD") has been a stable currency against the United States Dollar ("USD"). This is due to the fact that the MAD is a managed currency having been based on a basket of currencies consisting of the Euro and the USD, with weights of 80% and 20% respectively. This weighting has now changed to a 60% Euro, 40% USD.



Since 1 July 2014 up until 13 May 2015, the USD has gained c.20% in value against the Euro. Due to the fact that the MAD is managed as per the high weighting to the Euro above, this translates into the USD making significant value gains against the MAD (c.17% since 1 July 2015).

Although the MAD has lost significant value against the USD since 1 July 2015, the Moroccan economy still provides a strong investment case. The MAD has strengthened against the USD in recent weeks and through continued strengthening will see USD earnings on Anfa Place increase in the same manner.

The loan to value ratio of the Group at 31 March 2015 was 54.6% which is greater than the targeted 50%. This is temporarily higher than targeted due to debt facilities drawn down on to pay for deposits on the Holland Building and the Vodacom Building which had not yet transferred by 31 March 2015.

The Company is committed to progressively increasing its portfolio and continues to evaluate potential opportunities consistent with its strategy and investment principles. In the short-term the Group will continue to be focused on increasing its investments in Mozambique and Morocco.

Changes to the Board

On 14 April 2015 the Company announced that Mr Gideon Louis Schnetler, Delta International's chief executive officer and a director of the Company, had tendered his resignation due to unforeseen personal reasons. Mr Schnetler's resignation is effective on 07 July 2015. The Board is currently undergoing a process of identifying an appropriate replacement for Mr Schnetler and is over-seeing the hand-over of his responsibilities to ensure minimal disruption to the Company. The Company is in the process of appointing new directors who have key skills in the property sector and the listed environment.

Subsequent events

On 20 April 2015 the Group completed the acquisition of the Holland Building through the acquisition of 100% of the issued shares of H&M&K Properties Limited ("H&M&K"). The delay in settlement of the balance owing to the H&M&K shareholders resulted in the purchase price increasing to US\$14.9 million. The price increase was a direct correlation to the increase in rentals which took place over the period of the delayed settlement and had no impact on the acquisition yield.

On 22 April 2015 the Company raised US\$39 million through the issue of 26 354 444 new ordinary shares through a private placement. The proceeds will be utilised to fund the acquisition of the Vodacom Building, Zimpeto Square and to retire a portion of debt associated with the completed acquisition of the Holland Building. The equity raise brought on additional shareholders including the Public Investment Corporation, the largest pension fund in Africa, who now own 25% of the shares in issue. The Group has commenced applications with the Mozambique Central Bank for the approval of a foreign loan to be brought into Mozambique to complete the acquisition of the Vodacom Building and Zimpeto Square.

Outlook

The Board remains confident on the prospects of the business and the future returns.

The foregoing forecast statement and the information underlying such statement are the responsibility of the Board and has not been reviewed or reported on by the Group's external auditors. The forecast is based on assumptions, including assumptions that a stable regional, political and economic environment as well as a stable global macro-economic environment will prevail.

By order of the Board

Apex Fund Services (Mauritius) Ltd
Company Secretary
14 May 2015

Consolidated segmental analysis

	Unaudited For the three months ended 31 March 2015 \$'000	Unaudited For the nine months ended 31 March 2015 \$'000
Profit/(Loss) before tax		
Morocco	(6 789)	(10 289)
Mozambique	3 368	10 158
Corporate	1 496	(1 437)
Total	(1 925)	(1 568)

	For the three months ended 31 March 2015 \$'000	For the six months ended 31 December 2014 \$'000
Total assets		
Morocco	118 371	118 718
Mozambique	50 730	46 439
Corporate	11 491	5 158
Total	180 592	170 315

Notes

The Group is required to publish financial results for the three months and nine months ended 31 March 2015 in accordance with the Listing Rule 12.19 of the SEM. Accordingly, this announcement presents the financial results of the Group in respect of the three month period from 1 January 2015 to 31 March 2015, the nine month period from 1 July 2014 to 31 March 2015. Comparatives from the prior periods have not been disclosed due to the significant restructuring and the change in year-end which has taken place subsequent to May 2014.

The accounting policies which have been applied are consistent with those used in the preparation of the audited financial statements for the period ended 30 June 2014.

The financial statements for the quarter ended 31 March 2015 have been prepared in accordance with the measurement and recognition requirements of IFRS, the requirements of IAS 34: Interim Financial Reporting, the JSE Listings Requirements, the SEM Listing Rules and the Securities Act of Mauritius 2005.

The financial statements have not been reviewed or reported on by the Group's external auditors.

These financial statements were approved by the Board on 14 May 2015.

Copies of the financial statements and the Statement of direct and indirect interests of each officer of the Group, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules of Mauritius 2007, are available free of charge, upon request at the Company's registered address.

This communiqué is issued pursuant to SEM Listing Rule 12.20 and section 88 of the Securities Act of Mauritius 2005. The Board accepts full responsibility for the accuracy of the information contained in these financial statements. The directors are not aware of any matters or circumstances arising subsequent to the period ended 31 March 2015 that require any additional disclosure or adjustment to the financial statements.

Consolidated statements of financial position

	Unaudited For the three months ended 31 March 2015 \$'000	Unaudited For the six months ended 31 December 2014 \$'000	Audited For the ten months ended 30 June 2014 \$'000
Assets			
Non-current assets			
Investment property	145 184	150 406	-
Fair value of property portfolio	143 125	149 490	-
Straight-line rental income accrual	2 059	916	-
Property, plant and equipment	97	81	-
Goodwill	5 205	5 205	-
Other financial assets	-	-	276
Total non-current assets	150 486	155 692	276
Current assets			
Trade and other receivables	18 522	17 199	32
Other financial assets	7 515	3 275	-
Cash and cash equivalents	4 069	1 844	649
Total current assets	30 106	22 318	681
Total assets	180 592	178 010	957
Equity and liabilities			
Total equity attributable to equity holders			
Share capital	87 103	87 643	865
Foreign currency translation reserve	1 065	789	53
Retained loss	(7 843)	(2 136)	19
Total equity attributable to equity holders	80 325	86 296	937
Liabilities			
Non-current liabilities			
Interest-bearing borrowings	79 316	74 418	-
Deferred tax	9 245	7 975	-
Total non-current liabilities	88 561	82 393	-
Current liabilities			
Trade and other payables	11 506	8 799	20
Current tax payable	200	522	-
Total current liabilities	11 706	9 321	20
Total liabilities	100 267	91 714	20
Total equity and liabilities	180 592	178 010	957
Net asset value per share (cents)	179.87	193.24	141.07
Net asset value per share (excluding deferred taxation) (cents)	200.57	211.10	141.07

Consolidated statements of comprehensive income

	Unaudited For the three months ended 31 March 2015 \$'000	Unaudited For the nine months ended 31 March 2015 \$'000
Gross rental income	3 206	10 042
Straight-line rental income accrual	1 143	2 059
Revenue	4 349	12 101
Property operating expenses	(1 218)	(2 889)
Net property income	3 131	9 212
Other income	-	65
Administrative expenses	(376)	(947)
Operating profit	2 755	8 330
Acquisition fees	(203)	(2 690)
Set-up costs	(149)	(673)
Fair value adjustment on investment property	3 149	8 493
Realised foreign currency gain	-	516
Unrealised foreign currency loss	(6 303)	(12 676)
(Loss)/Profit before interest and taxation	(751)	1 290
Interest income	25	44
Interest expense	(1 201)	(2 901)
Loss for the period before tax	(1 927)	(1 567)
Current tax expense	556	26
Deferred tax expense	(1 373)	(3 357)
Loss for the period after tax	(2 744)	(4 898)
Gain on translation of functional currency	276	1 012
Other comprehensive income	-	-
Total comprehensive loss	(2 468)	(3 886)
Actual number of shares in issue	44 656 447	44 656 447
Weighted number of shares in issue	44 656 447	41 271 622
Basic loss per share (cents)	(5.53)	(9.42)
Headline loss per share (cents)	(14.10)	(36.04)
Reconciliation of basic and headline earnings:		
Profit for the period attributable to shareholders	(2 468)	(3 886)
Fair value adjustments on investment property	(1 776)	(5 126)
- Fair value adjustment	(3 149)	(8 483)
- Deferred tax	1 373	3 357
Foreign currency translation reserve movement	(276)	(736)
Headline earnings attributable to equity holders	(4 520)	(9 748)

Consolidated statement of changes in equity

	Share capital \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total attributable to equity holders \$'000
Balance as at 1 July 2014	865	53	19	937
Total comprehensive loss for the period	-	-	(2 156)	(2 156)
Foreign currency translation reserve movement	-	736	-	736
Shares issued	87 942	-	-	87 942
Share issue expenses	(1 163)	-	-	(1 163)
Balance as at 31 December 2014	87 644	789	(2 137)	86 296
Total comprehensive loss for the period	-	-	(2 745)	(2 745)
Dividends paid	-	-	(2 962)	(2 962)
Foreign currency translation reserve movement	-	276	-	276
Shares issued	-	-	-	-
Share issue expenses	(540)	-	-	(540)
Balance as at 31 March 2015	87 104	1 065	(7 844)	80 325

Consolidated statement of cash flows

	Unaudited For the three months ended 31 March 2015 \$'000	Unaudited For the nine months ended 31 March 2015 \$'000
Net cash utilised in operating activities	(6 238)	(10 035)
Net cash utilised in investing activities	(22)	(94 390)
Net cash generated from financing activities	8 485	107 845
Increase in cash and cash equivalents	2 226	3 420
Cash and cash equivalents at beginning of period	1 844	649
Cash and cash equivalents at end of period	4 069	4 069

Directors: Sandile Nomvete (chairman), Gideon Schnetler*, Gregory Pearson*, Greg Booyens*, Bronwyn Corbett, Peter Todd (lead independent) and Maheshwar Doorgakant (* executive director)

Company Secretary: Apex Fund Services (Mauritius) Ltd

Registered address: 4th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius

Transfer secretary (South Africa): Computershare Investor Services Proprietary Limited

Registrar and Transfer Agent (Mauritius): Mauritius Computing Services

JSE sponsor: Nedbank

SEM sponsor: LCF Securities