

for the six months ended 31 December 2014

Delta International Property Holdings Limited
(formerly *Osisir Properties International Limited*)
(Incorporated in Bermuda with registration number 46566)
BSX share code: DLI.BH
JSE share code: DLI ISIN: BMG2707T1018
("Delta International" or "the Company" or "the Group")

Directors' commentary

Nature of the business

Delta International was incorporated on 16 May 2012 in Bermuda as an Exempted Company in accordance with the applicable laws of Bermuda. Pursuant to a shareholders resolution passed on 31 October 2014, the Company is in the process of migrating from Bermuda to Mauritius and will be continued as a Global Business Company organised under the laws of Mauritius. Delta International has a primary listing on the Bermuda Stock Exchange ("BSX") and a secondary listing on the Alternative Exchange ("AltX") of the Johannesburg Stock Exchange Limited ("JSE"). The Company will delist from the BSX and is seeking a listing on the Stock Exchange of Mauritius ("SEM"), subject to the registration and continuance of the Company in Mauritius. The application to migrate the Company is still pending and is expected to be completed during February 2015. Upon the completion of the migration to Mauritius and subsequent listing on the SEM, the Company intends to transfer from the JSE's AltX to the JSE Main Board.

The primary objective of the Company is to invest in high quality real estate assets underpinned by long-term leases with strong counterparties delivering sustainable income. The Company's strategy is to invest in stable, high growth countries in Africa, outside of South Africa.

Business review

During the financial period ended 30 June 2014 the Company disposed of its only asset, a UK based property, and changed its focus from the United Kingdom and Europe to Africa (excluding South Africa). A comparison of the six months ended 31 December 2014 to the six months ended 31 December 2013 is therefore not considered meaningful and has not been presented.

During the six-month period ended 31 December 2014 the Company raised United States Dollars ("USD") 87,941,691 through the issue of 43,992,267 new shares. The equity raised, together with new debt facilities, was used to acquire the two properties outlined below:

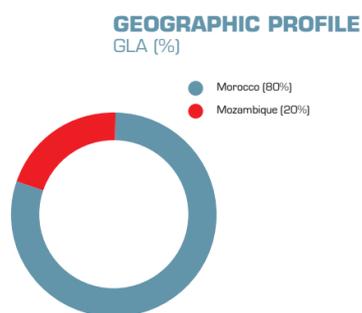
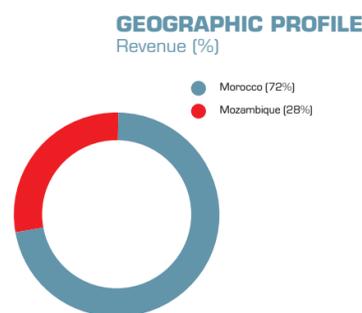
- On 14 July 2014 the Company, through its subsidiary Delta International Mauritius Limited, acquired a property known as the Anadarko Building through the acquisition of 100% of the issued shares of SAL Investment Holdings Limited. The Anadarko Building is a 7,805 m² office building located in the affluent suburb of Sommersfield, Maputo, Mozambique. Within Sommersfield there is an emerging prime business node with many international tenants. The building is anchored by Anadarko Petroleum Corporation ("Anadarko") with a lease term of 15 years which commenced in June 2013.
- On 25 July 2014 the Company, through its subsidiary Freedom Property Fund SARL, acquired a property known as Anfa Place. The 30,711 m² shopping centre is located in the prestigious suburb of Anfa in Casablanca, Morocco. The centre has been operational for 24 months and forms part of a mixed use complex, including offices, residential apartments, a Four Seasons Hotel (opening mid 2015) and a Pestana Hotel. The regional shopping centre is anchored by Carrefour, Marks & Spencer, H&M as well as several brands within the Aishaya Group.

For the six months ended 31 December 2014, the Group showed a net loss after tax of USD 1.4 million. Included in the loss is a deferred tax expense of USD 2.0 million relating to straight-line rental income and investment property fair value adjustments as well as an unrealised foreign currency exchange loss of USD 6.4 million, primarily relating to the conversion of Moroccan Dirham ("MAD") denominated net assets within Freedom Property Fund SARL, a 100% owned subsidiary.

Contractual rentals on the Anadarko Building are denominated in USD whereas the rentals on Anfa Place are denominated in MAD. The MAD rental income on Anfa Place is converted into USD using the average exchange rate for the reporting period. The Company does not hedge its MAD currency positions. From the date of acquisition of Anfa Place to 31 December 2014, the MAD has depreciated by 10.1% against the USD. The weaker exchange rate resulted in a reduced USD-based rental income of USD 0.47 million.

The loan to value ratio of the Group at 31 December 2014 was 49.48%.

The geographic breakdown of property revenue for the period under review was as follows:



Property Portfolio

| Property name | Location | Sector | Total GLA (m ²) | Market value as at 31 December 2014 (USD'000) | Weighted average lease expiry | Property yield (%) | Occupancy (%) |
|-------------------|---------------------|--------|-----------------------------|---|-------------------------------|--------------------|---------------|
| Anfa Place | Casablanca, Morocco | Retail | 30,711 | 112,906 | 7.5 years | 7.54 | 90.8 |
| Anadarko Building | Maputo, Mozambique | Office | 7,805 | 37,500 | 10.9 years | 10.42 | 100.0 |
| Total | | | 38,516 | 150,406 | | | 92.6* |

*Represent the weighted average occupancy.

Dividend

Delta International's maiden dividend for the six-month period ended 31 December 2014 is 6.63 USD cents per share (2013: Nil).

Subsequent events

On 23 January 2015 the Group indirectly acquired the Holland Building for USD 14.1 million through the acquisition of 100% of the issued shares of HMSK Properties Limited. The Holland Building is a 4,945 m² building, located in the rapidly emerging new downtown CBD of Maputo, Mozambique. The weighted average lease expiry is 3.6 years. The property yield in year one is 10.43%. The acquisition was funded with new debt facilities. The property is 100% occupied, and is anchored by Holland Insurance, KPMG and British Petroleum. Other tenants in the area include the headquarters of Millennium Bank, USAID, Vale as well as various international oil and gas producing companies.

Prospects

The Group is in the process of finalising the previously announced acquisition of the Vodacom Building in Maputo, Mozambique. The delay in transfer of the property has resulted in the purchase price increasing from USD 45 million to USD 49 million. The property, completed in December 2010, is an iconic multi-storey building located in a prime position in the new downtown CBD of Maputo, close to the Holland Building. The single tenanted building is occupied by the Vodacom Group Limited with a 10 + 10-year fully maintaining lease, which commenced on 01 January 2011. The property is expected to be acquired at a yield of 6.97%.

Management will continue to focus on bedding down the initial acquisitions in order to optimise the full potential of the portfolio.

The development of phase 2 of the Anadarko Building is expected to commence in 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, reflecting the Group's existing interest in the land. The development will be pre-committed with a long-term lease to Anadarko.

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 Company will be focused on increasing its investments in Mozambique and Morocco.

Directors' interests in shares

The interests of directors in the share capital of the Company as at 31 December 2014 were as follows:

| Name | Title | Beneficial | | Shareholding % |
|--------------------------------|------------------------|------------|------------------|----------------|
| | | Direct | Indirect | |
| Non-executive directors | | | | |
| Bronwyn Corbett | Non-executive director | - | 3,122,492 | 6.99 |
| Sandile Nomvete | Chairman | - | 3,837,114 | 8.59 |
| | | | 6,959,606 | 15.58 |

Unaudited consolidated statement of changes in equity

for the six months ended 31 December 2014

| | Share capital USD'000 | Foreign currency translation reserve USD'000 | Retained earnings USD'000 | Total attributable to equity holders USD'000 |
|---|-----------------------|--|---------------------------|--|
| Balance at 01 September 2013 | 865 | (31) | 67 | 901 |
| Total comprehensive loss for the period | - | - | (48) | (48) |
| Foreign currency translation reserve movement | - | 84 | - | 84 |
| Balance at 30 June 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 | (1,164) | - | - | (1,164) |
| Balance at 31 December 2014 | 87,643 | 789 | (2,137) | 86,295 |

Consolidated segmental analysis

| | Unaudited six months ended 31 Dec 2014 USD'000 | Audited 10 months ended 30 Jun 2014 USD'000 |
|---------------------------------|--|---|
| Profit/(loss) before tax | | |
| Morocco | (3,500) | - |
| Mozambique | 6,791 | - |
| Corporate | (2,933) | (48) |
| Total | 358 | (48) |

| | Unaudited As at 31 Dec 2014 USD'000 | Audited As at 30 Jun 2014 USD'000 |
|---------------------|-------------------------------------|-----------------------------------|
| Total assets | | |
| Morocco | 118,718 | - |
| Mozambique | 46,439 | - |
| Corporate | 5,158 | - |
| Total | 170,315 | - |

Registered office

Williams House, 3rd Floor, 20 Reid Street, Hamilton, Bermuda, HM11

Directors: Sandile Nomvete (Chairman and non-executive director), Louis Schnetler (Chief executive officer), Greg Pearson (Chief operating officer), Greg Booyens (Chief financial officer), Bronwyn Corbett (Non-executive director), James Keyes (Independent non-executive director), David Brown (Independent non-executive director) and Peter Todd (Independent non-executive director).

Auditors: Deloitte Limited (Bermuda)

Transfer secretary: Computershare Investor Services Proprietary Limited Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa

Registrar and transfer agent: Apex Fund Services Limited

BSX sponsor: Global Custody and Clearing Limited

JSE sponsor: Java Capital

Company secretary: Apex Fund Services Limited

Consolidated statement of financial position

as at 31 December 2014

| | Unaudited As at 31 Dec 2014 USD'000 | Audited As at 30 Jun 2014 USD'000 |
|---|-------------------------------------|-----------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Investment property | 150,406 | - |
| Fair value of property portfolio | 149,490 | - |
| Straight-line rental income accrual | 916 | - |
| Property, plant and equipment | 81 | - |
| Goodwill | 5,205 | - |
| Other financial assets | 3,275 | 276 |
| Total non-current assets | 158,967 | 276 |
| Current assets | | |
| Trade and other receivables | 9,504 | 32 |
| Cash and cash equivalents | 1,844 | 649 |
| Total current assets | 11,348 | 681 |
| Total assets | 170,315 | 957 |
| EQUITY AND LIABILITIES | | |
| Total equity attributable to equity holders | | |
| Share capital | 87,643 | 865 |
| Foreign currency translation reserve | 789 | 53 |
| Retained earnings | (2,137) | 19 |
| Total equity attributable to shareholders | 86,295 | 937 |
| Liabilities | | |
| Non-current liabilities | | |
| Interest-bearing borrowings | 74,418 | - |
| Deferred tax | 7,975 | - |
| Total non-current liabilities | 82,393 | - |
| Current liabilities | | |
| Trade and other payables | 1,105 | 20 |
| Current tax payable | 522 | - |
| Total current liabilities | 1,627 | 20 |
| Total liabilities | 84,018 | 20 |
| Total equity and liabilities | 170,315 | 957 |
| Net asset value per share (cents) | 193.24 | 141.07 |
| Net asset value per share (excluding deferred taxation) (cents) | 211.10 | 141.07 |

Consolidated statement of comprehensive income

for the six months ended 31 December 2014

| | Unaudited six months ended 31 Dec 2014 USD'000 | Audited 10 months ended 30 Jun 2014 USD'000 |
|--|--|---|
| Gross rental income | 6,837 | - |
| Straight-line rental income accrual | 916 | - |
| Revenue | 7,753 | - |
| Investment income | - | 63 |
| Property operating expenses | (1,671) | - |
| Net property income | 6,082 | 63 |
| Other income | 66 | - |
| Administrative expenses | (572) | (78) |
| Profit/(loss) from operations | 5,576 | (15) |
| Acquisition costs | (2,487) | - |
| Set-up costs | (525) | - |
| Fair value adjustment on investment property | 5,333 | - |
| Disposal of investment in subsidiary | - | (33) |
| Realised foreign currency gain | 516 | - |
| Unrealised foreign currency loss | (6,373) | - |
| Profit/(loss) before interest and taxation | 2,041 | (48) |
| Interest income | 18 | - |
| Finance costs | (1,701) | - |
| Profit/(loss) for the period before tax | 358 | (48) |
| Current tax expense | (530) | - |
| Deferred tax expense | (1,984) | - |
| Loss for the period after tax | (2,156) | (48) |
| Gain on translation of presentation currency | 736 | 84 |
| Total comprehensive (loss)/income for the period attributable to equity holders | (1,420) | 36 |

Reconciliation of earnings, headline earnings and distributable earnings

for the six months ended 31 December 2014

| | Unaudited six months ended 31 Dec 2014 USD'000 | Audited 10 months ended 30 Jun 2014 USD'000 |
|---|--|---|
| Basic earnings | (1,420) | 36 |
| Fair value adjustment on investment property (net of deferred taxation) | (3,633) | - |
| - Fair value adjustment | (5,333) | - |
| - Deferred taxation | 1,702 | - |
| Gains or loss on the loss of control of a subsidiary | - | 33 |
| Foreign currency translation reserve movement | (736) | (84) |
| Headline earnings/(loss) attributable to shareholders | (5,788) | (15) |
| Straight-line rental income accrual (net of deferred taxation) | (633) | - |
| - Straight-line rental income accrual | (916) | - |
| - Deferred taxation | 283 | - |
| Unrealised foreign currency exchange differences | 6,373 | - |
| Acquisition costs | 2,487 | - |
| Set-up costs | 525 | - |
| Distributable earnings attributable to shareholders for the period | 2,963 | (15) |
| Distribution from reserves | - | - |
| Less: interim dividend | (2,963) | - |
| Earnings not distributed | - | (15) |
| Number of shares entitled to a dividend | 44,656,447 | 664,180 |
| Distributable earnings per share (cents) | 6.63 | N/A |
| Number of shares in issue | 44,656,447 | 664,180 |
| Weighted average number of shares in issue | 20,071,041 | 664,180 |
| Basic (loss)/earnings per share (cents)* | (7.07) | 5.48 |
| Headline earnings/(loss) per share (cents)* | 0.34 | (2.10) |

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

Condensed consolidated statement of cash flows

for the six months ended 31 December 2014

| | Unaudited six months ended 31 Dec 2014 USD'000 | Audited 10 months ended 30 Jun 2014 USD'000 |
|--|--|---|
| Net cash utilised in operating activities | (3,796) | (335) |
| Net cash (utilised in)/generated from investing activities | (94,368) | 651 |
| Net cash generated from financing activities | 99,359 | 294 |
| Net cash at the beginning of the period | 649 | 39 |
| Net cash at the end of the period | 1,844 | 649 |

Further details concerning the Company and this regulatory release can be accessed via the Company's website at www.deltainternationalproperty.com.

By order of the Board

Sandile Nomvete

Chairman

Bermuda

4 February 2015

Louis Schnetler

Chief executive officer

Notes

Basis of preparation

The unaudited interim results for the six months ended 31 December 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 - *Interim Financial Reporting*, the rules of the BSX and the Listings Requirements of the JSE.

The results above have not been audited or reviewed by the Company's external auditors, Deloitte Limited Bermuda. The accounting policies adopted are consistent with those published in the audited annual financial statements for the year ended 30 June 2014. Where applicable, new accounting policies have been adopted by the Group in the current reporting period. The investments in subsidiaries which the Group has made in the current reporting period have been accounted for as a financial instrument in terms of IFRS 9 and are measured at fair value through profit and loss in its separate financial statements.

These financial statements were approved by the Board on 04 February 2015.

Dividend declaration

The Board has approved and notice is hereby given that a maiden cash dividend of 6.63 USD cents per share, has been declared in respect of the six months from 01 July 2014 to 31 December 2014.

The salient dates for the dividend are set out below:

| | |
|---|--------------------------|
| Last day to trade <i>cum</i> dividend (BSX & JSE) | Friday, 20 February 2015 |
| Securities trade ex-dividend (BSX & JSE) | Monday, 23 February 2015 |
| Record date (BSX & JSE) | Friday, 27 February 2015 |
| Payment date | Monday, 02 March 2015 |

Payment date

No dematerialisation or rematerialisation of share certificates, nor transfer of shares between sub-registers in Bermuda and South Africa will take place between Monday, 23 February 2015 and Friday, 27 February 2015, both days inclusive. Shareholders on the South African sub-register will receive dividends in South African Rand, based on the exchange rate to be obtained by the Company on or before Friday, 13 February 2015. A further announcement in this regard will be made on or before Friday, 13 February 2015.

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 December 2014 that require any additional disclosure or adjustment to the financial statements.