CHAIRMAN'S STATEMENT

Introduction

Inflation continued to rise during the first three months of the financial year. However, it fell markedly after the introduction of multi currency trading in February 2009.

Your company adopted the United States Dollar as its reporting and functional currency. Although the company traded using the Zimbabwe dollars in the first two months under review, those numbers were disregarded in the financial statements since they were deemed to be insignificant on translation to the new reporting currency.

Prior year comparatives have not been included as these may be misleading in light of the current trading environment.

Results

Turnover from October 2008 to March 2009 was $863 000. The change over to a multi-currency environment saw a re-pricing of business accommodation, especially office space. Although rentals being obtained still lag regional averages, there has been some marked improvement from previous levels. The monthly average turnover as from March 2009 was $200 000.

Administrative expenses at $213 000, represented 24.7% of the turnover. The net property income after administrative expenses at $625 000 was 72.4% of turnover.

The operating loss of $20 million was a result of impairments on investment properties and equities at 31 March 2009.

An impairment occurs when the carrying amount of an asset is greater than its fair value or its estimated recoverable amount.

Investment properties

As a result of the economic slowdown and lack of funding, the property market has not seen much trading in the commercial sector since the last professional valuation at 30 September 2008. This has led to a lack of reliable market evidence for accurate valuation. The directors are aware that there have been changes in market conditions that have impacted negatively on property values, but hold an opinion that these conditions are temporary and will improve in the foreseeable future resulting in a correction of property prices.

In view of the prevailing circumstances, the company has seen it prudent to review its investment properties to $54 million representing a 27% decline from the 30 September 2008 value of $74 million. However, it should be noted that these assets are still valued significantly below their replacement costs.

Dividend

Due to the continuing depressed economic conditions and the priority of conserving cash for property maintenance and investments, the directors have resolved that an interim dividend be passed.

Operations

The company continued to give priority to maintaining the standard of its existing assets, particularly the high rise buildings, through the planned maintenance programme. Increasing economic stresses on tenants resulted in occupancy levels slipping for the first time but as at 31 March, they were still in excess of 95%, which, under current circumstances, reflected a very satisfactory performance. The company also experienced greater difficulty in the collection of rentals from tenants. Monthly collections averaged 70% of billed amounts.

Lift refurbishment continued to be of concern mainly because of the shortage of technical maintenance skills.

Land development projects remain under review. The time is not yet right to access sufficient cash for such projects to proceed on a basis which would yield adequate returns on the company's investment. We however will be utilizing excess cash generated from operations in acquiring strategic land banks.

Going concern

The directors have carefully assessed the volatile operating environment and are satisfied that the company will continue to operate in the foreseeable future.

Share Buyback

Shareholders renewed the share buy back scheme at the Annual General Meeting that was held on 26 March 2009. There has been a further buy back of shares during the period under review totaling 243 200 shares at an average price of $0.04 .per share. Added to the number of shares previously bought back this brings the total of bought back shares to 27 369 645. Shareholders originally approved a total of 200 million shares for the buy back scheme.

Outlook

With the current political dispensation, the directors are hopeful of an improved operating environment. Your Board remains confident of the long term future for the property market and therefore the value of the Mashonaland Holdings share.

Administration

The company increased its share of internal property administration during the period under review. This has given rise to greater efficiences and more effective tenant management. Accounting and property management staffing levels were strengthened.

Directorate

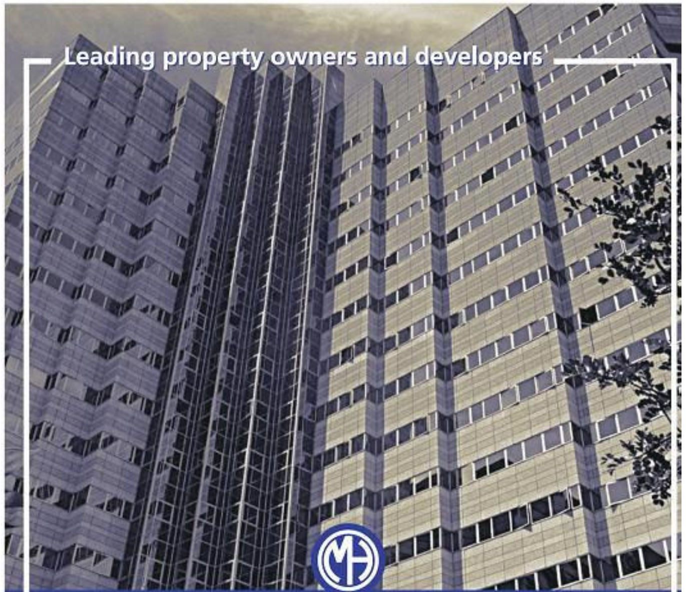
Mr. L R Bruce retired as a director with effect from the Annual General Meeting on 26 March 2009. There were no further changes to the directorate.

Appreciation

I express my sincere appreciation to the directors, shareholders, our professional advisors, and all the staff for their continued support during the period under review. In particular I thank Mr Len Bruce for his many years of dedicated service to the Board and, on behalf of my fellow directors, wish him well in his retirement.

Harare
28 May 2009

E. N. Mushayakarara
Chairman



Mashonaland Holdings Limited

(Incorporated in Zimbabwe)

NOTICE TO MEMBERS

UNAUDITED RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2009

INCOME STATEMENT

	HISTORICAL COST Six months to 31 March 2009 Group US$
Turnover	**863,120**
Property expenses	(25,636)
Net property income	**837,484**
Administrative expenses	(212,916)
Net property income after administrative expenses	**624,568**
Impairments	**(20,609,024)**
Quoted shares	(390,924)
Investment properties	(20,218,100)
Operating loss before interest and tax	**(19,984,456)**
Net finance income	483
Loss before taxation	**(19,983,973)**
Taxation	6,289,129
Loss attributable to ordinary shareholders	**(13,694,844)**
Number of shares in issue	1,859,073,947
Loss per share - cents	(0.74)
Headline loss per share - cents	(0.72)

ARIDGED BALANCE SHEET

	31 March 2009 Group
Equity and liabilities	
Shareholders' funds	38,203,510
Deferred taxation	16,602,408
Current liabilities	331,737
	55,137,655
Assets	
Non-current assets	54,386,685
Current assets	750,970
	55,137,655
Net asset value per share cents	2.05

ARIDGED CASHFLOW STATEMENT

	HISTORICAL COST Six months to 31 March 2009 Group
Net cash inflow/(outflow) from operating activities	**411,848**
Operating profit before dividend income, interest and tax	(19,984,456)
Non-cash items	20,609,024
(Increase)/decrease in working capital	(212,720)
Net cash inflow/(outflow) from returns on investment and servicing of finance	**483**
Net finance income	483
Net cash (outflow)/inflow from investing and financing activities	**(12,801)**
Purchase of property, plant and equipment	(2,801)
Purchase of treasury shares	(10,000)
Net increase/(decrease) in cash and cash equivalents	**399,530**

STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS

	Six months to 31 March 2009 Group
Shareholders' equity at beginning of period	51,826,904
Earnings attributable to shareholders	(13,694,844)
Treasury shares bought back	(10,000)
Revaluation reserve	81,450
Shareholders' equity at end of period	**38,203,510**

SUPPLEMENTARY INFORMATION

		HISTORICAL COST Six months to 31 March 2009 Group
1.	**Net finance income interest received**	483
2.	**Cash and cash equivalents cash at bank**	399,530
		399,530
3.	**Non-current assets**	
	Investment properties	54,117,600
	Fixed assets	84,252
	Investments in quoted shares	184,833
	Total	**54,386,685**
4.	**Taxation**	
	Current year tax charge	193,019
	Deferred tax	(6,482,148)
	Total	**(6,289,129)**
5.	**Turnover**	
	Rental Income	863,120

Directors: E N Mushayakarara (Chairman), M Mahari (Chief Executive), A G Chinembiri, N Matsangura, W B Mashumba, L Mawire .