

RDC PROPERTIES LIMITED



FINAL RESULTS 2006

Presented by:
**Property & Asset Management
Limited**



Our Presentation

- 2006 Highlights of final results...
- Prospects and developments.....

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HIGHLIGHTS OF THE FINAL RESULTS..

• INVESTMENT PORTFOLIO

- P 172.8m 7.87% increase from P160.190m
 - ❖ INDEPENDENT VALUATIONS DONE FOR STANDARD HOUSE REFURBISHMENTS CARRIED OUT DURING THE YEAR;
 - ❖ INVESTMENT IN PROPCORP INCLUDED IN THE INVESTMENT PORTFOLIO.

• TURNOVER

- P 21.824m 16.47% increase from P18.737m
 - ❖ STANDARD HOUSE IMPROVEMENTS AND REDECORATION CONTRIBUTION PROVES THAT REFURBISHMENT POLICY IS IN RIGHT DIRECTION;
 - ❖ DESPITE REDUCTION OF RENT FROM STANDARD HOUSE READY ONLY FROM MAY 2006.

• PROFIT FROM OPERATIONS

- P 20.950m 23.22% increase from P17.002m
 - ❖ PROPERTY HOLDING COSTS, WELL UNDER CONTROL.

• PROFIT BEFORE DEBENTURE INTEREST

- P 14.526m 20.22% increase from P12.083m,

• PROFIT BEFORE TAX

- P7.912m 35.75% increase from P5.828m
 - ❖ EXCHANGE GAIN FROM EURO RENTALS AND FOREIGN CURRENCY LOANS TO MADAGASCAR.

• DISTRIBUTION TO UNIT HOLDERS

5/17/2016 P6.747m up 5.75% from 6.380m



HIGHLIGHTS OF THE FINAL RESULTS..

/ continued

- **MADAGASCAR shopping center contributing very positively:**
 - **P 965k** **5% Growth in contribution;**
 - **P751k** **Starting to repay not only interest but Capital portion of our loans**

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PROSPECTS FOR 2007 AND BEYOND...

TIMELESS PARTNERSHIP...

BEFORE

STANDARD HOUSE

AFTER



5/17/2016



MARKET OVER VIEW

- Demand for prime properties in Gaborone particularly in office sector remains satisfactory but from Q4 started to pick up.
- In some of the outlying centres, demand has been under pressure; but have seen some upswing with the renewed spending from large construction projects (Mahalapye/ Palapye, Serowe,..)
- Residential properties should pick up in the next year - (Govt. spending).
- Demand for Industrial properties still under pressures but shows signs of stabilizing: the sector is still oversubscribed and excess space is available in the market.

Prospects for 2007 and beyond...

- **THE STANDARD HOUSE REFURBISHMENT** –completed January 2006 and officially opened 27 April 2006

– Realisation of target:

- Increased rentable space of the building 34%.
- Estimated rent increase on rent without refurbishment 66%.
- New modern GRADE A building – BEST IN TOWN.
- Building with a new car park - trend setting for the MALL.
- Secured major anchor tenants: Standard Chartered – Met life – AED AND OTHERS expected fully let by april.

- **INVESTMENT STRATEGY**

- Our long term strategy is to diversify our portfolio to include office, retail, industrial, commercial and hospitality properties both domestic and regionally.
- We have negotiated and entered into an Agreement with BIFM , which led to a reduction on our long term borrowings and secure sufficient funding of our projects

- **ISALO LODGE - MADAGASCAR**

- Protocol with the Government of Madagascar signed in 2005
- Construction to start 2007 – completion expected 2008



PROSPECTS FOR 2007 AND BEYOND...

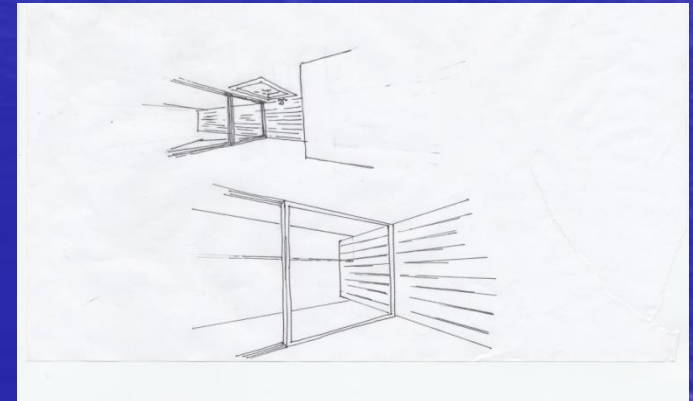
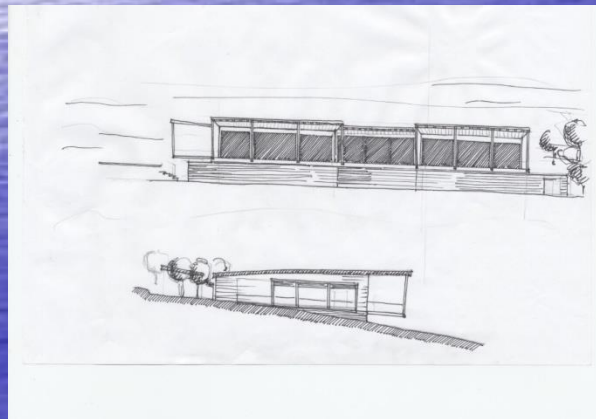
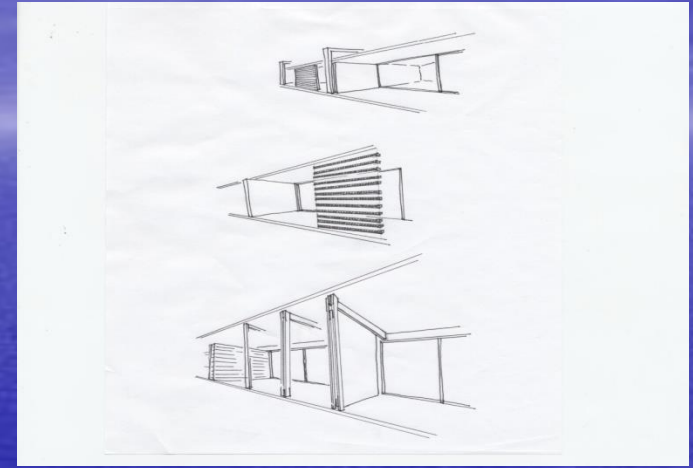
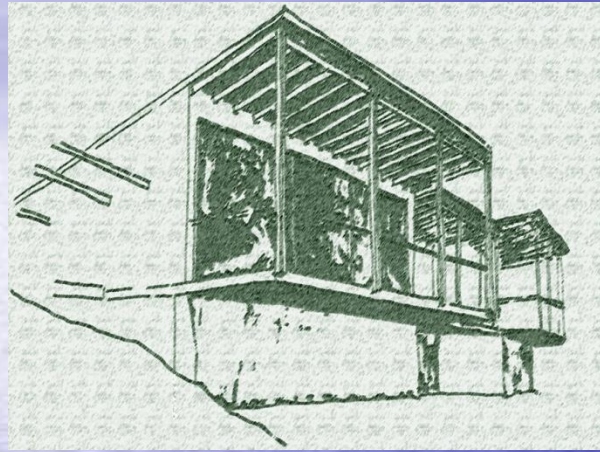
- **Planning for the CBD developments is on going.**
 - Increased interest in the office sector both in Government and Public in the location
 - Negotiations are being tabled to secure an anchor tenant
- **Take advantage of opportunities out of Botswana**
 - Where we believe there is more scope for growth;
 - Where the GROUP has a presence.
- **Special projects and refinancing.**
 - Agreement has been reached and we've secured 4 hectares of land, near Isalo National Park, with Ministry of Tourism in Madagascar;
 - 40 room lodge near Isalo National Park to be completed by 2008-RDC will own 50% of the property;
 - Tana Water Front Hotel – 62 rooms City Hotel



KHAMA CRESCENT VIEW



View of the proposed Isalo Rock Lodge - Madagascar



In summary...

- **THE YEAR 2006 HAS BEEN A FULFILLING AND CHALLENGING YEAR.. A satisfactory year considering the sluggish depressed market conditions.**
- **THE YEAR 2006 HAS DEMONSTRATED THAT OUR REFURBISHMENT AND DEVELOPMENT PLANS ARE IN THE RIGHT DIRECTION, AS EVIDENCED BY IMPROVED TURNOVER.**
- **THE PROSPECT OF 2007 LOOKS POSITIVE AS WE HAVE COMPLETED MOST RENOVATIONS AND UPGRADING OF PROPERTIES**
- **LOOKING OUT SIDE BOTSWANA... DIVERSIFICATION OF PORTFOLIO HAS STARTED WITH THE MADAGASCAR HOSPITALITY PROJECTS AND SHOULD GAIN MOMENTUM IN THE SUBSEQUENT YEARS TO COME**
- **WE ARE CONFIDENT THAT WE WILL DELIVER GROWTH ON THE PORTFOLIO.**

RDC ICC PAM

THANK YOU

