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# RDC PROPERTIES LIMITED

## INTERIM RESULTS 2002

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# Our Presentation

- ◆ Highlights of the interim results 2002...
- ◆ Prospects ...
- ◆ Market overview...
- ◆ **Drinks**

## HIGHLIGHTS OF THE INTERIM RESULTS...

- ◆ **INVESTMENT PORTFOLIO VALUE NOW AT**
  - ◆ P 108 m (MADAGASCAR AT COST) NO REVALUATION
- ◆ **TURNOVER**
  - ◆ P 7,567 m Up 9% from P6,950 m  
(AGAINST A FORECAST OF 13% - SHORT OF 280kP)
- ◆ **PROFIT FROM CORE OPERATIONS**
  - ◆ P4,484 m up 15% from P3,908m
- ◆ **PROFIT BEFORE DEBENTURE INTEREST AND TAXATION :**
  - ◆ P4,223 m Up 7% from P3,942 m  
(AGAINST A FORECAST OF 7% - IN LINE )

# HIGHLIGHTS OF INTERIM 2002

- ◆ POSITIVE CONTRIBUTION INVESTMENT FROM THOLO AS BUILDING ONLY OPERATED FOR 9 MTHS LAST YEAR.
- ◆ TIGHT COST CONTROL BY MANAGEMENT RESULTED IN THE FORECAST NET PROFIT BEING ACHIEVED. PROFIT FROM CORE OPERATIONS UP 15%
- ◆ THE LODGE HAS CONTRIBUTED TO THE TURNOVER ALTHOUGH OVERALL CONTRIBUTION TO BOTTOM LINE MINIMAL.
- ◆ LACK OF STRONG DEMAND IN SOME CENTRES OUTSIDE GABORONE HAS LEAD TO FORECAST TURNOVER FIGURE NOT BEING ACHIEVED
- ◆ THE LOSS ON FOREX DEPRESSED NET PROFIT FIGURE. HAD THE LOSS NOT BEEN INCURRED NET PROFIT WOULD HAVE BEEN UP 14%. SIGNIFICANTLY HIGHER THAN FORECAST.

## PROSPECTS FOR 2002 AND BEYOND...

- ◆ **Continue to improve our portfolio by refurbishing, disposing of old properties -**
  - ◆ Plans are currently underway to refurbish Plaza 1 & 2 and STANDARD HOUSE
  - ◆ Kasane SC has just been successfully refurbished.
- ◆ We expect the lodge to make a modest contribution in the next half of the year.
- ◆ As a result of the refurbishment of Plaza 1&2 and the slowdown in demand for space in some of the centres outside Gaborone the initial financial projections indicated have been prudently revised as follows:
  - ◆ Revenue to increase by 9% rather than 14%
  - ◆ Net profit to STILL increase by 7%
  - ◆ The benefits that will arise from the refurbishment of Plaza 1 & 11 (75% increase in rental income) will filter through in H2 of 2003.

# MARKET OVER VIEW

- ◆ Demand for prime properties in Gaborone is still fairly strong.
- ◆ The demand in some of the outlying centres has decreased; but will see some up-swing with the renewed spending from large construction projects (Maun, Mahalapye/ Palapye, Serowe,..)
- ◆ In Gaborone the retail market will feel the pressure of the new retail centers.
- ◆ Residential properties should pick up in the next year - (Govn. spending).
- ◆ Industrial properties still under pressure.

## In summary...

- ◆ THE YEAR 2002 IS PROVING TO BE INTERESTING FOR RDC (FEW CHALLENGES BUT SIGNIFICANT NEW POSSIBILITIES)
- ◆ WE ARE CONFIDENT THAT WE WILL DELIVER GROWTH ON THE PORTFOLIO.
- ◆ WE ARE ABLE TO CONTINUE THE REFURBISHMENT PROGRAM.
- ◆ THE PROSPECTS FOR 2003 ARE POSITIVE PARTICULARLY WHEN THE REFURBISHMENTS COME ON STREAM.

**THANK YOU**







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