

RDC PROPERTIES LIMITED



END OF YEAR RESULTS
31st December 10

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



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Topics

- End of the Year Results – Highlights
- Market Overview
- Prospects and Developments



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HIGHLIGHTS of the year 2010

AUDITED Financial results for the year ended 31 December 2010

❑ **PROJECTS PROGRESS:**

- ❑ **MASA CENTRE:** The Project is nearing completion. Works in the building are anticipated to be completed by the 30th of June 2011.



- ❑ **ISALO ROCK LODGE:** Is fully operational since 1st July 2010. In these few months the Lodge has set its brand among the best Hotel in Madagascar.



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HIGHLIGHTS of the year 2010

AUDITED Preliminary Financial results for the year ended 31 December 2010

❑ **FINANCIALS:**

- ❑ INVESTMENT AND PROPERTY PORTFOLIO UP BY 28.33%, STANDS AT P 469.51 million
- ❑ REVENUE UP 7.45%;
- ❑ PROFIT BEFORE FAIR VALUE ADJUSTMENTS AND EXCHANGE DIFFERENCES UP BY 35.15%;
- ❑ TOTAL DISTRIBUTION TO LINKED UNIT HOLDERS UP 71.80%;

❑ **CORPORATE GOVERNANCE:**

- ❑ FORMATION OF AN AUDIT AND RISK COMMITTEE CHAIRED BY MR. ROBERT MATTHEWS (ex PWC PARTNER)



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FINANCIAL HIGHLIGHTS

❑ INVESTMENT PORTFOLIO

- ❑ P469.51m – 28.33% increase (2009 – P365.86m)
- ❑ Capital work in progress incl. P224.71 m of Masa Centre Project

❑ GROSS INCOME

- ❑ P29.20 m – 7.45% increase (2009 – P27.17m)

❑ PROFIT BEFORE FAIR VALUE ADJUSTMENTS AND EXCHANGE DIFFERENCES

- ❑ P23.58 m – 35.15% increase (2009– P17.45m) includes P6.63 million from a consultancy agreement entered during the year

❑ PROFIT AFTER TAX FROM CONTINUING OPERATIONS

- ❑ P31.26 m – 5.85% increase (2009– P29.78m)
- ❑ Includes P19.09 m of Surplus on Revaluation of Properties (2009 surplus P25,69)

❑ DISTRIBUTION TO UNIT HOLDERS – FINAL & INTERIM

- ❑ 58.00 Thebe per Linked Unit – up 71.80% (2009 – 33.76 Thebe per Linked Unit)
- ❑ Final Distribution 42.08 Thebe per Linked Unit (2009: 20.17 Thebe per Linked Unit)
- ❑ proposing an elective capitalization of 50% of the dividends.

❑ DISCONTINUED OPERATIONS

- ❑ Sale of investment property, Tana Waterfront Madagascar. Sale of the building disclosed as discontinued operation in the financial results.

❑ LONG TERM BORROWINGS

- ❑ P187.72 m – NOW AT 40% OF INVESTMENT PORTFOLIO (2009 – 29.45%)
- ❑ Increase due to financing of Masa Centre



FINANCIAL HIGHLIGHTS (PRISCILLA)

❑ STOCK MARKET STATISTICS

- ❑ Substantial increase in share price 50% to P6.30 (2009 – P4,20)
- ❑ Dividend yield at DEC 10 is 9.2% compared to 8,1% in DEC 09
- ❑ Share Price as at March 2011 P 6.70
- ❑ Linked Units in issue at year end 33,541,022 (2009: 32,948,740)
- ❑ NAV / Share valued at P 5,10 up 13,33% (2009 – P4,50)
- ❑ NAV – adjusted for deferred taxation P6,03 up 14.42% (2009 – P5.27)

MARKET OVERVIEW

- ❑ The Global Economic Crisis hit the Old World and left a trail of uncertainty and downward trends in the Real Estate market. Nothing even comparable happened to Botswana, where a relatively stable economy along with the effects of decreasing bank interest rates raised yields and valuations.
- ❑ The market is becoming even more selective in terms of LOCATION, QUALITY and STANDARDS
- ❑ The Gaborone market is turning towards the NEW CBD with a large number of Private and Public projects. RDCP, following its pioneering spirit, started ahead.
- ❑ Signs of a increase demand for residential properties for sale on a sectional title basis are positive and would indicate a change in the market trends.
- ❑ Few Shopping Center are being built in the outskirts of Gaborone.



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DEVELOPMENTS

TIMELESS PARTNERSHIP

MASA CENTRE



Masa Centre – Progress



❑ Construction Progress – Nearing Completion

- ❑ The Finishing Phase has started and handover dates for Tenants fit-out have been agreed with the Tenants
- ❑ Delays are mainly due to:
 - ❑ The default of the key Sub Contractor for the Aluminium Windows
 - ❑ Bureaucratic hindrances to the disbursement of funds,
 - ❑ Changes to the Hotel side also due to the very stringent standards required to operate an Holiday Inn
- ❑ The project cost is on budget

❑ Letting

- ❑ Number of partnership's have been created with majority citizen involvement
- ❑ The Retail Gallery is 100% let and we keep on receiving demand for space
- ❑ Demand for office space is increasing and we have secured few valuable Tenants (US Embassy among others)
- ❑ The Lease Terms for the Masa Casino has been signed
- ❑ Entertainment component well received (5 by side/Golf simulator/Cinema/Corporate Gym/Casino/ Cinema)..

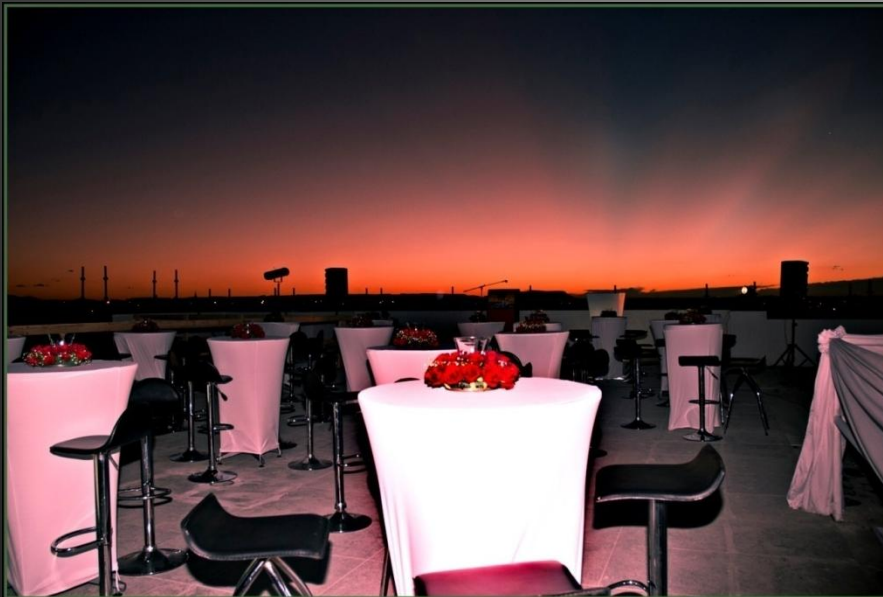


Masa Centre – Progress



Marketing

- Its permanent open air art exposition, a live music podium, a five a five soccer pitch, a fully fledged entertainment Piazza encompassing Cinema, Restaurants and the Casino along with world class external lighting the CENTER IS CLEARLY POSITIONING ITSELF AS THE **"HEART OF GABORONE SOCIAL, CULTURAL LIFE"** , day and night.



Hotel Reception



Hotel ROOMS MOCK UP ROOM



Bar & Restaurant in the Piazza



RIBS & RUMPS



Bar & Restaurant in the Piazza



CAPPELLO



MASA Casino



Retail Gallery



-The Jewelry Shop



-Serada Collection



Marketing



- **OFFICE SPACE ONLY AVAILABLE**
- For more information on letting opportunities contact: masacentre@rdc.bw

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ISALO



- ▶ The Lodge is Rated 4 **** and is considered the best hotel in Southern Madagascar
- ▶ Comments from Guest are very positive both from inbound and outbound
- ▶ Tourism season was low in 2010 but the Political situation is stabilizing
- ▶ 2011 is anticipated to have an increase in bookings but we will see positive results starting 2012



30/03/2010

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ISALO

*Hôtel situé au dans un environnement minéral exceptionnel et grandiose...
... Le restaurant, les salons...offrent également des espaces accueillants, un mobilier de qualité...
Les plats proposés se savourent avec plaisir. (Stepchess Oct 2010)*



*Heaven is only 1 step away!!!
Congratulation for an excellent hotel and well done to the chef!!!!
Massimo Sep 2010*



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IN SUMMARY...

- ❑ FINANCIAL RESULTS ARE VERY GOOD
- ❑ Masa Centre will contribute positively in 2011
- ❑ Madagascar – we remain positive that the political situation will stabilize to enhance value to our business.
- ❑ The growth strategy of the portfolio remains our priority and we are confident this will be achieved.



RDC ICC PAM

THANK YOU

