

BOTSWANA DEVELOPMENT CORPORATION LIMITED

A limited liability Public Company incorporated in Botswana under the Companies' Act of 1959 (as amended)

Audited Financial Statements For The Year Ended 30 June 2004 (in P000's)

	Group Restated		Company Restated	
	2004	2003	2004	2003
Income Statement				
Revenue	237,111	281,341	92,010	132,158
Operating profit	36,464	25,123	67,232	73,595
Profit before taxation and outside shareholders interest	67,059	59,079	65,548	60,337
Net profit attributable to ordinary shareholders	52,569	73,209	65,532	62,753
Balance Sheet				
Non-current assets	1,232,938	1,084,750	1,000,707	942,488
Current assets	621,782	374,235	477,693	246,013
Total Assets	1,854,720	1,458,985	1,478,400	1,188,501
Capital and reserves	1,204,401	1,005,285	1,077,847	866,921
Minority interest	38,641	34,288		
Non-current liabilities	491,510	314,929	318,542	263,154
Current liabilities	120,168	104,483	82,011	58,426
Total equity and liabilities	1,854,720	1,458,985	1,478,400	1,188,501
Cash Flow				
Opening cash balance	254,653	337,269	166,065	235,591
Net cash from/(absorbed in) operating activities	102,577	-7,378	107,330	30,900
Net cash used in investing activities	-4,536	-139,874	10,054	-168,362
Net cash generated from financing activities	157,047	64,636	126,927	67,936
Closing cash balance	509,741	254,653	410,376	166,065

Comments on Results

The Corporation has had yet another good year with profits before tax of P65,5 million. This 9% improvement over the previous year has been achieved despite the reduced turnover and has been a result of exceptional management of the operating costs together with remarkable improvement in the risk profile of the Corporation's investment portfolio.

The reduction in group turnover is mainly a result of one of the group companies not being in operation for much of the year under review. Nevertheless, the group profits show a healthy growth of 13.5%.

Future Prospects

The Corporation has embarked on a new three (3) year Strategic Plan which covers the period 2004/5-2006/7. This plan is set to amongst other things see the Corporation introduces new products to the market. The Corporation expects further growth on the back of good investments made in the past years and those still in the pipeline.

The Board of Directors continues to recognise the need to conduct the business of the Corporation with integrity and in accordance with generally accepted practices and endorses the internationally accepted principles of Corporate governance and public responsibility.

Declaration of 2004 Dividend

Notice is hereby given that the Directors have declared a dividend for 2004 amounting to P20 million for the year ended 30 June 2004 to the shareholders registered in the register of ordinary shareholders at close of business on the 21st October 2004.