



Botswana Development Corporation Limited

**Date:** 2<sup>nd</sup> December 2004

**Communication Collateral:** Media Announcement

**Subject:** BDC Financial Results for the  
year ended 30 June 2004

Botswana Development Corporation Limited has once again come through with impressive results for the year ended 30<sup>th</sup> June 2004. The Corporation has performed well in a very challenging environment as it continues to contribute to economic diversification and creation of the much needed employment for Batswana by financing and investing in sound business ventures.

### **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 reduced turnover and has been a result of good management of the operating costs together with remarkable improvement in the risk profile of the Corporation's investment portfolio. The reduced risk has resulted in a smaller amount of provisions for bad debts being created for the year.

The reduction in group turnover is mainly a result of one of the major group companies experiencing technical difficulties during the course of the year as well as the withdrawal of the technical partner from the partnership. With the recent restructuring, the company's performance has improved substantially and will impact positively on the group results. Despite the foregoing, the group profits show a healthy growth of 13.5% over the previous year as the majority of the group companies continue to perform well.

### **Future Prospects**

The Corporation has several projects in the pipeline currently under evaluation and spanning the manufacturing, services and property sectors. A total of close to P200 million would be required to fund these projects.

The Corporation continuously reviews its processes and to this end it adopted a new three year Strategic Plan to run through to June 2007. This Plan places emphasis on aggressive marketing and the diversification of the financing products on offer.

### **Dividend Declaration**

The Corporation has declared a dividend amounting to P20 million for the year ended June 2004. It is of note that this is the third successive year that the Corporation is declaring a dividend to its shareholder. In total P46.27 million has been declared in these three years.

### **Conclusion**

The year under review has been a successful one with growth in the bottom line at both company and group levels. The Corporation is geared to tackle the future with even more zeal. Priority will be given to improving customer service at the human interface, develop new products and ensure the lowest cost position while at the same time maintaining a world-class operation.

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