

# PEARL PROPERTIES (2006) LIMITED

## Results – year ended 31 December 2007



18 March 2008



### HIGHLIGHTS

- Rental income  $\uparrow$  - **\$143 bln** vs **\$634 m**
- Total Income  $\uparrow$  - **\$1.5 tln** vs **\$635 m**
- Admin. Expenses  $\uparrow$  - **\$66.2 bln** vs. **\$193 m**
- Operating Profit  $\uparrow$  - **\$1.5 tln** vs **\$526 m**
- Fair Value Adjustment  $\uparrow$  - **\$165 tln** vs **\$109 bln**
- Basic EPS  $\uparrow$  - **\$92,532** vs **\$1,737**

<b>INCOME STATEMENT</b>	<b>31.12.2007</b> <b>\$ m</b>	<b>31.12.2006</b> <b>\$ m</b>
<b>Rental Income</b>	<b>142,771</b>	<b>634</b>
Total Income	1,536,619	635
Administrative Expenses	(66,168)	(193)
<b>Operating Profit before tax</b>	<b>1,528,726</b>	<b>526</b>
Total Fair Value adjustments	165,117,288	108,441
Taxation	(51,200,020)	(21,938)
<b>Profit After Taxation</b>	<b>115,445,994</b>	<b>108,954</b>
<b>Profit attributable to Equity Holders for the Year</b>	<b>114,568,797</b>	<b>86,830</b>
<b>Basic Earnings per share (\$)</b>	<b>92,532</b>	<b>1,737</b>

## BALANCE SHEETS (\$ million)

	<b>31.12.2007</b>	<b>31.12. 2006</b>
<b>Total Assets</b>	<b>195,729,726</b>	<b>111 694</b>
<b>Total Equity and liabilities</b>	<b>195,729.726</b>	<b>111 694</b>

# CASHFLOW STATEMENT

	<b>31.12.2007</b> \$ million	<b>31.12. 2006</b> \$ million
Net cash generated from operations	119,733	397
Net cash generated from investing activities	(369,491)	(13)
Net cash generated from financing activities	360.633	50
Net increase in cash and cash equivalents	110,875	334
<b>Cash and cash equivalents at year end</b>	<b>111,209</b>	<b>334</b>

# Strategy

- Continue to actively manage the portfolio – customer focus.
- Development focus – for the creation of trading stock (residential)
- Diversify the portfolio into leisure sector through new developments and acquisitions.

# Portfolio Review

**as at 31 December 2007**

Market Value	\$165 trillion
Depreciated Replacement Cost	\$349 trillion
Gross Replacement Cost	\$558 trillion
Total Lettable Space	117 000m <sup>2</sup>

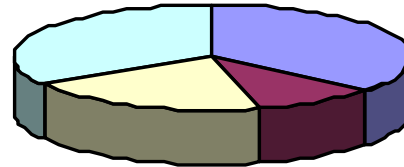
# Current Sectoral Spread

**Offices**  
**CBD**  
**34%**

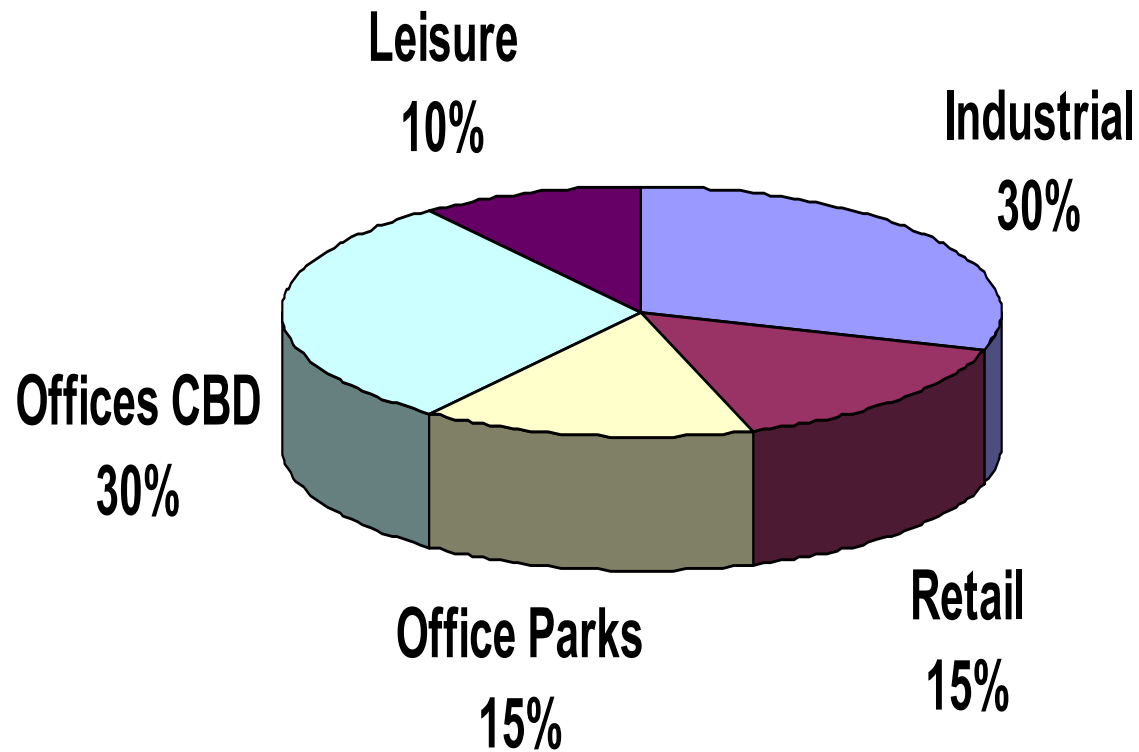
**Industrial**  
**36%**

**Office**  
**Parks**  
**20%**

**Retail**  
**10%**



# Target Sectoral Spread



# Trading Update

- Rent reviews being undertaken.
- Rental income Q1 **\$1.2 trillion.**
- Portfolio Value estimated at \$990 trillion.
- Work on the retail and residential developments projects continuing.
- Actively working on diversifying into the leisure sector.

# IPO Update

- IPO proceeds **\$927 billion**
- IPO Portfolio Value  
29/02/08 = **\$91.1 trillion**

## ■ Envisaged Projects



TM North End



OK Mabvuku



Superstore



Residential (Trading Stock)

## Delays in Implementation

- Price blitz
- Availability of building materials
- Incessant rains
- Labour shortage

## TM North-end

- Commenced at the end of Nov 2007
- Work done to date approx. **25%**
- Approx. **90%** materials procured (volume)

## Superstore

- Casualty of price blitz
- Operator re-looked at strategy
- Unlikely to happen

## Residential

- Working on two projects.
- On our own land.
- Creation of trading stock.
- Details will be availed soon.