

## COMPANY COMMENT

# Basil Read puts stamp on St Helena

**B**ASIL Read has joined Napoleon Bonaparte in putting its stamp on the history of St Helena, a mid-Atlantic island about 2,300km west of Walvis Bay. The airport it is building on the island will mark the end of the British territory's isolation from the rest of the world.

To this end, the company features in one of a series of new postage stamps, issued by the government of St Helena and imprinted with the likeness of Queen Elizabeth II. The Basil Read brand is clearly visible on the bow of a vessel pictured at anchor off the island, marking the first time a private company has featured on a British stamp.

The first phase of the airport will be completed in February 2016 and will cut the travel time between Cape Town and St Helena to a mere five hours, compared with the seven days it now takes to get there by ship. As a measure of the remoteness of this little British treasure, it served as the site of Napoleon's six years of banishment after his defeat in 1815 at the battle of Waterloo. The French Emperor died there amid controversial circumstances and was buried in an unmarked grave. His remains were later moved to Paris.

Closer to home, St Helena was also "home" to captured Boer generals during the South African (Boer) War of 1899 to 1902. Basil Read says the airport is the most complex logistics project it has ever undertaken.



**G**OVERNMENT departments have received some criticism from listed property funds over the past few years. They are considered slow and unreliable payers. But some of the funds that stuck with the state have performed well. Delta Property Fund has been one of the stand-out funds in this regard. Its distribution payouts were relatively low immediately

### BASIL READ HOLDINGS

Share price, daily close (cents)



Graphic: SHAUN UTHUM Source: INET BFA

after listing in late 2012 but they gathered pace this year. Real Estate Investment Trusts like Delta pay out the majority of their earnings.

This week, the group released its financial results for the six months to August, reporting 23.1% growth in distributions. Delta has exposure to government tenants in all of SA's nine provinces. These include offices of the South African Revenue Service. CEO Sandile Nomvete says while the fund is diversifying he will be happy with 60% state tenants.

Delta is a broad-based black economic empowerment (BBBEE) fund and gains some of its state tenants for this reason. The only two other notable BBBEE funds in the property sector are Rebohis Property Fund and Dipula Income Fund, but they are more retail focused.

Nevertheless, one wonders why other funds like Redefine Properties have let go of their government buildings so quickly.

Delta recently listed Delta International, a pan African income fund that is looking to raise capital for projects in Mozambique and Morocco and has conducted road shows offshore to this end.

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