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MEDIA RELEASE

NWR forges ahead

Windhoek, **19 July 2018** – In every businesses life, there comes a time when decisions need to be made for its betterment and future generations. These decisions are made by visionary leaders who see beyond the current state of affairs. Namibia Wildlife Resorts (NWR) is fortunate to have a Board of Directors and a Managing Director that has this outlook.

In 2006, the Namibian cabinet approved the Turn Around Strategy (TAS) which called for the outsourcing of certain NWR facilities to the private sector. Mile 14 was given to Pisces Investments who unfortunately pulled out after a mini-tsunami occurred at the facility. NWR then issued a tender which was won by Sun Karros to implement and develop a Holiday Estate. Based upon this, a partnership was formed which came into effect in December 2015 when the first phase – the popular Windpomp 14 – which is a restaurant and a campsite was completed in record time. It was also during this period that Mile 72, 108 & Jakkalsputz was awarded to Tungeni Africa Investments, while Reho Spa was awarded to Reho Spa Resorts which was later replaced by the Rehoboth Community Trust after NWR re-issued the tender. "It is important to mention that amongst all the PPPs that we entered into, Sun Karros has consistently been our best performing partner. The global headwinds that affected our economy did not spare Daan Viljoen especially on the conferencing side, but they are still going strong", says Mrs Talita Horn, NWR Chief Financial Officer.

Recently, a Joint Venture (JV) agreement was entered into between NWR and Sun Karros paving the way for the second phase of the Holiday Estate development. "As is standard practice the world over, we learnt from our mistakes and are now implementing the best practices in the marketplace. That is why we moved away from the arms-length PPP arrangements which saw us losing control and unable to

shape events when our partners underperformed. The recent agreement reflects these lessons learned and ensures that we have a shareholding majority and a governance role while drawing on the management expertise of our partner. With this agreement, we shall strengthen our cash-flow position significantly as well as improve our balance sheet. This is going to be the first-in-class Holiday Eco Estate, and we advise Namibians to get ready to participate", says an excited Mr Mufaro Njabulo Nesongano, NWR Corporate Communications and Online Media Manager.

In keeping up with the tourism trends, Sun Karros initially planned to develop a new product known as Glamping (luxury tents) at Daan Viljoen. After reviewing their proposal, NWR accepted it and instead directed Sun Karros to establish the luxury tents at its Sesriem campsite where the greatest need for beds are. Mr Epson Kasuto, NWR Chief Marketing Officer, states that "this product will not cannibalise our existing products. It will, in fact, enhance the range of our product offering. We are creating it with the sole aim of targeting it at a different clientele altogether, and it is at the moment the direction being taken by the global tourism market, and we are proud to introduce it to Namibia. Our other products such as the existing campsites and chalets will remain and so will our commitment to enabling domestic tourism through the NamLeisure card and regular promotions".

In highlighting the strategy that NWR has adopted in dealing with companies that want to go into business with it, recently appointed Chief Officer: Strategy and Projects, Dr Matthias Ngwangwama says that "with the experience we have gained over the years, we decided to move away from accepting unsolicited business proposals and issued an invitation for Expression of Interest (EoI) on 01 September 2017. We received some good proposals that we are reviewing from that EoI, and we shall issue another one this coming September 2018 with a broadened scope. We want to encourage the participation of local communities as well as women and young Namibians in the tourism value chain which will be reflected in the forthcoming EoI. We also insist on Black Economic Empowerment (BEE) from our partners, and it is neither here nor there for us whether those BEE partners are companies of political parties, community groups or individuals. It is just important that there is real participation and not window dressing".

Even though the country has experienced economic headwinds, NWR is doing well and is operationally self-sustaining in that it has not received or even sought any budget support from the government in the past four years. That said, NWR has challenges like other businesses with one example being that of the loan that was taken to finance the TAS and was guaranteed by the government. To date, NWR has made all the payments required and looks forward to paying it off along with clearing its historic liabilities at the Receiver of Revenue dating from its establishment in 1998. "That is why JVs are critical elements in our strategy in that they will bring investment capital and different management models as well as new

business practices to NWR and the tourism sector which can result in NWR becoming financially sustainable which is a key strategic goal", says Mr Nesongano.

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Our vision is to be "a recognised leader in tourism and hospitality services in Namibia". For more information, please contact: Mr Mufaro Njabulo Nesongano on (+264 61) 285 7196 / (+264 81) 253 1450 or email: MNesongano@nwr.com.na.