



Reviewed provisional condensed consolidated results for the year ended 28 February 2017

Increased year-end distribution by **7.1%** to 97.24 cents per share

Reduced gearing to **41.5%** from 47.2% at 29 February 2016

Successfully refinanced **R1.2 billion** in debt

Renewed **100 364m²** of gross lettable area

Vacancy of **9.1% below** the SAPOA national average of 11.1%

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2017 R'000 | 2016 R'000 | 2017 R'000 | 2016 R'000 |
| Revenue | | | | |
| Contractual rental income | 1 612 481 | 1 220 632 | 1 557 344 | 1 150 047 |
| Straight-line rental income accrual | 4 863 | 26 950 | 4 432 | 30 396 |
| Net operating profit | 1 617 344 | 1 247 582 | 1 561 776 | 1 180 443 |
| Property operating expenses | (464 003) | (322 051) | (455 703) | (312 737) |
| Net property rental and related income | 1 153 341 | 925 531 | 1 106 073 | 867 706 |
| Other income | 6 215 | 7 266 | 6 027 | 7 286 |
| Dividend income | — | — | 80 798 | 105 912 |
| Gain/(loss) on foreign exchange differences | 20 336 | (57 834) | 20 336 | (57 834) |
| Administration expenses | (68 169) | (82 744) | (66 649) | (82 042) |
| Net operating profit | 1 111 723 | 792 219 | 1 146 585 | 841 028 |
| Fair value adjustments | (34 887) | 259 124 | (49 904) | 230 783 |
| Profit for operations | 1 076 836 | 1 051 343 | 1 096 681 | 1 071 811 |
| Finance costs | (470 580) | (412 713) | (470 578) | (412 972) |
| Interest income | 27 168 | 26 593 | 54 930 | 49 514 |
| Share of profit in associate | 1 526 | 33 537 | — | — |
| Impairment of investment in associate | — | — | (80 586) | — |
| Cancellation fee | — | (11 542) | — | (11 542) |
| Share of loss in joint venture | — | (2) | — | — |
| Profit before taxation | 634 950 | 687 216 | 600 447 | 696 811 |
| Taxation | — | — | — | — |
| Profit for the year from continuing operations | 634 950 | 687 216 | 600 447 | 696 811 |
| Loss from discontinued operations | — | (38 089) | — | — |
| Profit for the year | 634 950 | 649 127 | 600 447 | 696 811 |
| Other comprehensive income: | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Exchange gain on translation of foreign subsidiary | — | 83 649 | — | — |
| Reclassification of foreign currency translation reserve on loss of control of subsidiary | — | (43 843) | — | — |
| Share of foreign currency translation reserve of associates | 44 150 | (43 796) | — | — |
| Taxation related to components of other comprehensive income | — | — | — | — |
| Total comprehensive income for the year | 679 100 | 645 137 | 600 447 | 696 811 |
| Profit for the year attributable to: | | | | |
| Owners of the parent | 634 950 | 687 216 | 600 447 | 696 811 |
| Loss for the year from discontinued operations | — | (38 089) | — | — |
| Non-controlling interest: | | | | |
| Loss for the year from discontinued operations | — | (2 078) | — | — |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 679 100 | 607 409 | 600 447 | 696 811 |
| Non-controlling interest | — | 37 728 | — | — |
| Total comprehensive income | 679 100 | 645 137 | 600 447 | 696 811 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Group | | Company | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2017 R'000 | 2016 R'000 | 2017 R'000 | 2016 R'000 |
| Assets | | | | |
| Non-current assets | | | | |
| Investment property | 10 053 921 | 8 684 700 | 9 793 123 | 8 431 398 |
| Fair value of investment property | 9 861 449 | 8 500 183 | 9 600 791 | 8 247 733 |
| Straight-line rental income accrual | 192 472 | 184 517 | 192 332 | 183 665 |
| Property, plant and equipment | 3 302 | 4 331 | 3 302 | 4 331 |
| Investment in subsidiaries | — | — | 62 273 | 62 273 |
| Investment in joint venture | — | — | 2 | 2 |
| Investment in associate | 391 013 | 383 327 | 429 587 | 510 173 |
| Loans due from subsidiaries | — | — | 405 152 | 376 404 |
| Derivative financial instruments | 35 | 13 401 | 35 | 13 401 |
| Current assets | | | | |
| Loans due from related parties | 108 483 | 77 115 | 108 483 | 77 115 |
| Current tax receivable | 1 153 | 1 153 | — | — |
| Trade and other receivables | 276 091 | 252 938 | 256 400 | 233 029 |
| Derivative financial instruments | 1 721 | 545 | 1 721 | 545 |
| Cash and cash equivalents | 196 115 | 187 362 | 194 372 | 186 416 |
| Non-current assets held-for-sale | 583 563 | 519 113 | 560 976 | 497 105 |
| Non-current assets held-for-sale | 1 327 500 | 1 410 481 | 1 101 700 | 1 199 381 |
| Total assets | 12 359 334 | 11 015 353 | 12 356 150 | 11 094 468 |
| Equity | | | | |
| Share capital | 4 845 248 | 3 450 593 | 4 845 248 | 3 450 593 |
| Reserves | 139 779 | 215 924 | 139 425 | 259 720 |
| Retained income | 2 056 589 | 1 990 112 | 2 056 438 | 2 024 464 |
| Total equity | 7 041 616 | 5 656 629 | 7 041 111 | 5 734 777 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Derivative financial instruments | 29 623 | 49 981 | 29 623 | 49 981 |
| Interest-bearing borrowings | 4 112 646 | 3 560 275 | 4 112 646 | 3 560 275 |
| Loans due to subsidiaries | — | — | 4 190 | 4 490 |
| Cash-settled share-based payment arrangement | — | 559 | — | 559 |
| Current liabilities | | | | |
| Interest-bearing borrowings | 986 581 | 1 534 035 | 986 581 | 1 534 035 |
| Trade and other payables | 121 823 | 102 233 | 114 954 | 98 710 |
| Derivative financial instruments | 23 768 | 30 032 | 23 768 | 30 032 |
| Bank overdraft | 43 277 | 81 609 | 43 277 | 81 609 |
| Total liabilities | 5 317 718 | 5 358 724 | 5 315 039 | 5 359 691 |
| Total equity and liabilities | 12 359 334 | 11 015 353 | 12 356 150 | 11 094 468 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Group | Share capital R'000 | Foreign currency translation reserve R'000 | Deferred consideration R'000 | Retained income R'000 | Non-controlling interest R'000 | Total equity R'000 |
|---|---------------------|--|------------------------------|-----------------------|--------------------------------|--------------------|
| | | | | | | |
| Balance at 1 March 2015 | 2 778 064 | 27 185 | — | 1 815 732 | 453 190 | 5 074 171 |
| Total comprehensive income for the year | — | (43 796) | — | 651 205 | 37 728 | 645 137 |
| Profit for the year | — | — | — | 651 205 | (2 078) | 649 127 |
| Other comprehensive income | — | (43 796) | — | — | 39 806 | (3 990) |
| Loss of control of subsidiary | — | (27 185) | — | — | (490 918) | (518 103) |
| Issue of shares – issued as consideration for investment property | 76 950 | — | — | — | — | 76 950 |
| Issue of shares – issued as consideration for cash | 658 169 | — | — | — | — | 658 169 |
| Issue of shares – dividend reinvestment programme | 45 207 | — | — | — | — | 45 207 |
| Capital issue expenses | (15 514) | — | — | (5 971) | — | (21 485) |
| Share capital not eliminated in prior period | 5 971 | — | — | — | — | 5 971 |
| Share buy-back | (98 254) | — | — | — | — | (98 254) |
| Deferred consideration raised | — | — | 259 720 | — | — | 259 720 |
| Distributions paid | — | — | — | (470 854) | — | (470 854) |
| Balance at 1 March 2016 | 3 450 593 | (43 796) | 259 720 | 1 990 112 | — | 5 656 629 |
| Total comprehensive income for the year | — | 44 150 | — | 634 950 | — | 679 100 |
| Profit for the year | — | 44 150 | — | 634 950 | — | 679 100 |
| Other comprehensive income | — | — | — | — | — | — |
| Issue of shares – issued as consideration for investment property | 1 255 834 | — | — | — | — | 1 255 834 |
| Capital issue expenses | (604) | — | — | — | — | (604) |
| Deferred consideration settled – issue of shares | 139 425 | — | (139 425) | — | — | — |
| Deferred consideration raised | — | — | 19 150 | — | — | 19 150 |
| Distributions paid | — | — | — | (568 473) | — | (568 473) |
| Balance at 28 February 2017 | 4 845 248 | 354 | 139 425 | 2 056 589 | — | 7 041 616 |

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

| Group 2017 | Retail | | Office government | | Office other | | Industrial | | Administration and corporate costs | | Total R'000 |
|---|----------------|------------------|-------------------|----------------|------------------|----------|------------|----------|------------------------------------|-------------------|-------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | |
| Contractual rental income | 71 198 | 1 265 981 | 216 403 | 21 895 | 37 004 | — | — | — | — | 1 612 481 | |
| Straight-line rental income accrual | (2 001) | 6 830 | (278) | 312 | — | — | — | — | — | 4 863 | |
| Property operating expenses | (27 823) | (294 536) | (76 792) | (6 599) | (57 893) | — | — | — | — | (464 003) | |
| Net property rental and related income | 41 374 | 978 275 | 139 333 | 15 248 | (20 889) | — | — | — | — | 1 153 341 | |
| Fair value adjustments to: | | | | | | | | | | | |
| Fair value (loss)/gain to investment property | 40 239 | 33 874 | (74 826) | 9 548 | (52 652) | — | — | — | — | (43 817) | |
| Unrealised gain on derivative financial instruments | — | — | — | — | 8 930 | — | — | — | — | 8 930 | |
| Assets | | | | | | | | | | | |
| Investment property – fair value | 439 242 | 8 185 019 | 1 237 188 | — | — | — | — | — | — | 9 861 449 | |
| Non-current assets held-for-sale | — | 900 400 | 269 100 | — | — | — | — | — | — | 1 327 500 | |
| Straight-line rental income accrual | 9 295 | 172 693 | 10 484 | — | — | — | — | — | — | 192 472 | |
| Other assets | 23 650 | 301 417 | (64 577) | 1 243 | 716 360 | — | — | — | — | 977 913 | |
| Total assets | 472 187 | 9 559 529 | 1 452 015 | 159 243 | 716 360 | — | — | — | — | 12 359 334 | |
| Total liabilities | 339 641 | 73 382 | 15 244 | 1 632 | 4 887 819 | — | — | — | — | 5 317 718 | |
| Group 2016 | | | | | | | | | | | |
| Contractual rental income | 87 875 | 912 667 | 201 134 | 18 956 | — | — | — | — | — | 1 220 632 | |
| Straight-line rental income accrual | 10 051 | 22 363 | 671 | (6 134) | — | — | — | — | — | 26 950 | |
| Property operating expenses | (31 060) | (213 658) | (71 453) | (5 880) | — | — | — | — | — | (322 051) | |
| Net property rental and related income | 66 865 | 721 373 | 130 351 | 6 942 | — | — | — | — | — | 925 531 | |
| Fair value adjustment to: | | | | | | | | | | | |
| Fair value (loss)/gain to investment property | (85 269) | 329 648 | 22 095 | 37 726 | — | — | — | — | — | 304 200 | |
| Unrealised loss on derivative financial instruments | — | — | — | — | (45 076) | — | — | — | — | (45 076) | |
| Assets | | | | | | | | | | | |
| Investment property – fair value | 422 241 | 6 795 035 | 1 282 907 | — | — | — | — | — | — | 8 500 183 | |
| Non-current assets held-for-sale | 206 000 | 769 981 | 257 500 | 177 300 | — | — | — | — | — | 1 410 481 | |
| Straight-line rental income | 4 349 | 168 726 | 11 441 | — | — | — | — | — | — | 184 517 | |
| Other assets | (223 938) | (1 870 547) | 1 718 005 | 12 043 | 1 284 609 | — | — | — | — | 920 172 | |
| Total assets | 408 652 | 5 862 895 | 3 269 854 | 189 343 | 1 284 609 | — | — | — | — | 11 015 353 | |
| Total liabilities | 319 | 29 666 | 21 450 | 542 | 5 306 747 | — | — | — | — | 5 358 724 | |

This segmental report has been populated based on a per building classification which is in accordance with the majority tenant.

Directors: JB Magwaza* (Chairman), SH Nomvete* (CEO), S Maharaj* (CFO), ON Tshabalala* (COO), N Khan*, DN Motau*, ID Macleod*, MJN Njike*, NN Afolayan*, BA Corbett*, AJ König*
Executive; **Independent non-executive; ***Non-executive; *Lead independent director**

Registered office: Silver Stream Office Park, 10 Muswell Road South, Bryanston (Postnet Suite 210, Private Bag X21, Bryanston, 2021)

Transfer secretaries: Computershare Investor Services Proprietary Limited

Sponsor: Nedbank Corporate and Investment Banking

RECONCILIATION OF EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2017 R'000 | 2016 R'000 | 2017 R'000 | 2016 R'000 |
| Profit for the period from continuing operations attributable to owners of the parent | 634 950 | 687 216 | 634 950 | 687 216 |
| Loss for the period | | | | |