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# RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2017



EMIRA  
PROPERTY FUND

## AGENDA

### GEOFF JENNETT

#### OVERVIEW

- › Key metrics
- › 5-year track record

### GREG BOOYENS

#### FINANCIALS

- › Distribution statement
- › Balance sheet
- › Funding

### ULANA VAN BILJON

#### PORTFOLIO

- › Direct SA portfolio performance

### GEOFF JENNETT

#### INVESTMENTS

- › Capex and disposals
- › Residential
- › Enyuka
- › Rebalancing

#### OUTLOOK

- › Offshore
- › Summary

# OVERVIEW

**GEOFF JENNETT**  
CEO

## KEY METRICS AT DECEMBER 2017

DISTRIBUTIONS  
PER SHARE

70.65c

NAV  
PER SHARE

1761c

VACANCIES

4.5%

TENANT  
RETENTION

77%

ACQUISITIONS

USD8.4m

DISPOSALS

R236.5m

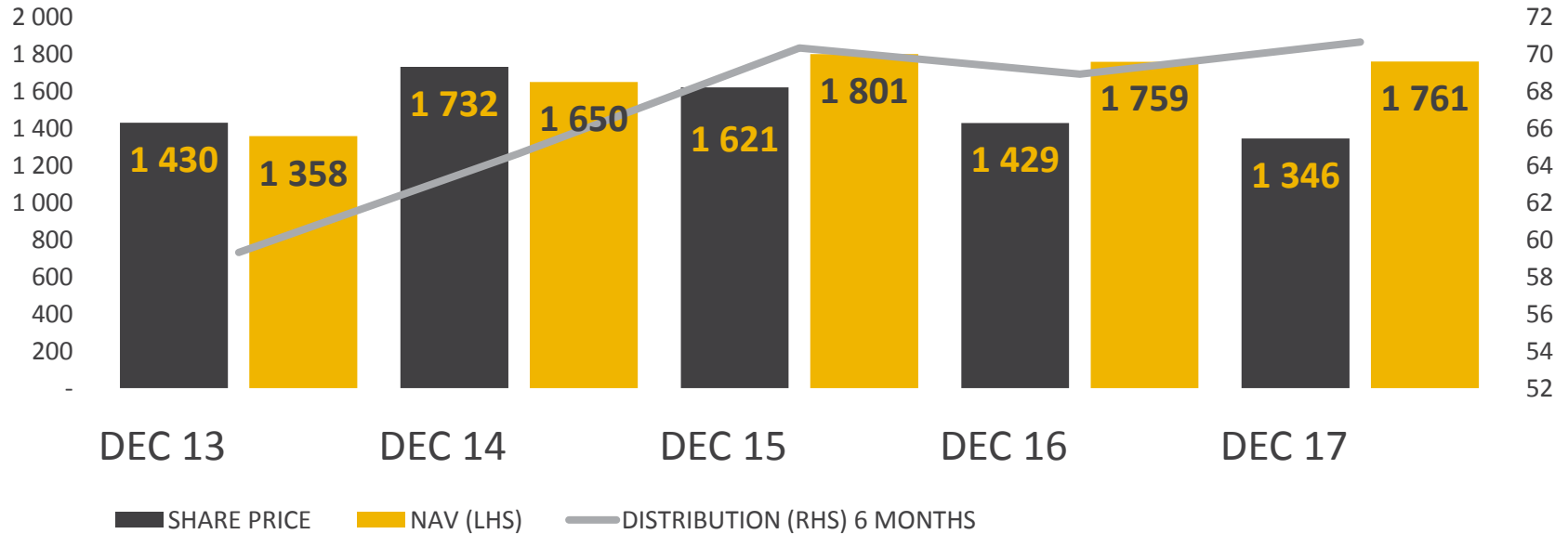
CAPEX  
PROJECTS

R357m

LTV

37.2%

## 5-YEAR TRACK RECORD



COMPOUND ANNUAL  
GROWTH RATE IN NAV OF

6.7% p.a.

12-MONTH  
SHARE PRICE

-5.8%

TOTAL 12-MONTH  
RETURN OF

+4.4%

# FINANCIALS

**GREG BOOYENS**  
CFO

## ENYUKA



Deconsolidation

Equity  
accounted

Comparatives  
reclassified

## DISTRIBUTION STATEMENT

| R'000   | DEC 16    | DEC 17    | % CH  |
|---|-----------|-----------|-------|
| Revenue   | 844 242   | 840 678   | (0.4) |
| Property expenses                                   | (325 657) | (303 743) | (6.7) |
| Net direct property income                          | 518 585   | 536 935   | 3.5   |
| <i>Net property expenses to revenue ratio (%)</i>   | 38.6      | 36.1      |       |
| <i>Gross property expenses to revenue ratio (%)</i> | 20.4      | 17.1      |       |
| Admin expenses                                      | (46 827)  | (46 912)  | 0.2   |
| Net operating income                                | 471 758   | 490 023   | 3.9   |

Disposals, vacancy  
take up, contractual  
escalations

Worley Parsons

Disposals, new  
lease commissions

Rent collection fees,  
staff costs



## DISTRIBUTION STATEMENT continued

| R'000                       | DEC 16      | DEC 17      | % CH     |
|-----------------------------|-------------|-------------|----------|
| Net operating income b/f    | 471 758     | 490 023     | 3.9      |
| Income from investments     |             |             |          |
| Enyuka                      | 34 140      | 35 985      | 5.4      |
| Growthpoint Australia (GOZ) | 29 216      | 29 491      | 0.9      |
| USA                         | –           | 2 740       | >100.0   |
| Net interest cost           | (193 810)   | (188 975)   | (2.5)    |
| Other income                | 10 618      | –           | <(100.0) |
| Distribution payable        | 351 922     | 369 264     | 4.9      |
| Number of shares issue      | 510 550 084 | 522 667 247 | 2.4      |
| Dividend per share (cents)  | 68.93       | 70.65       | 2.5      |

Enyuka equity accounted, contractual escalations, acquisitions

GOZ DPS growth, stronger R/AUD

First USA acquisition, income hedges implemented

Lower avg debt levels, vendor loan interest income, CCIRS

Treasury shares cancelled

BEE shares issued June 2017

## BALANCE SHEET

| R'000                               | DEC 16        | DEC 17        | % CH       |
|-------------------------------------|---------------|---------------|------------|
| Investment properties               | 12 671        | 12 727        | 0.4        |
| Investments                         |               |               |            |
| Enyuka                              | 585           | 614           | 5.0        |
| GOZ                                 | 924           | 941           | 1.8        |
| USA                                 | –             | 100           | >100.0     |
| Other assets                        | 384           | 531           | 38.3       |
| <b>Total assets</b>                 | <b>14 564</b> | <b>14 913</b> | <b>2.4</b> |
| Interest-bearing debt               | 5 378         | 5 476         | 1.8        |
| Other liabilities                   | 454           | 453           | (0.3)      |
| Shareholder equity                  | 8 732         | 8 984         | 2.9        |
| <b>Total equity and liabilities</b> | <b>14 564</b> | <b>14 913</b> | <b>2.4</b> |

Revaluation,  
developments,  
disposals

R1.1bn held  
for sale

Enyuka  
› Equity  
accounted,  
acquisition,  
revaluation

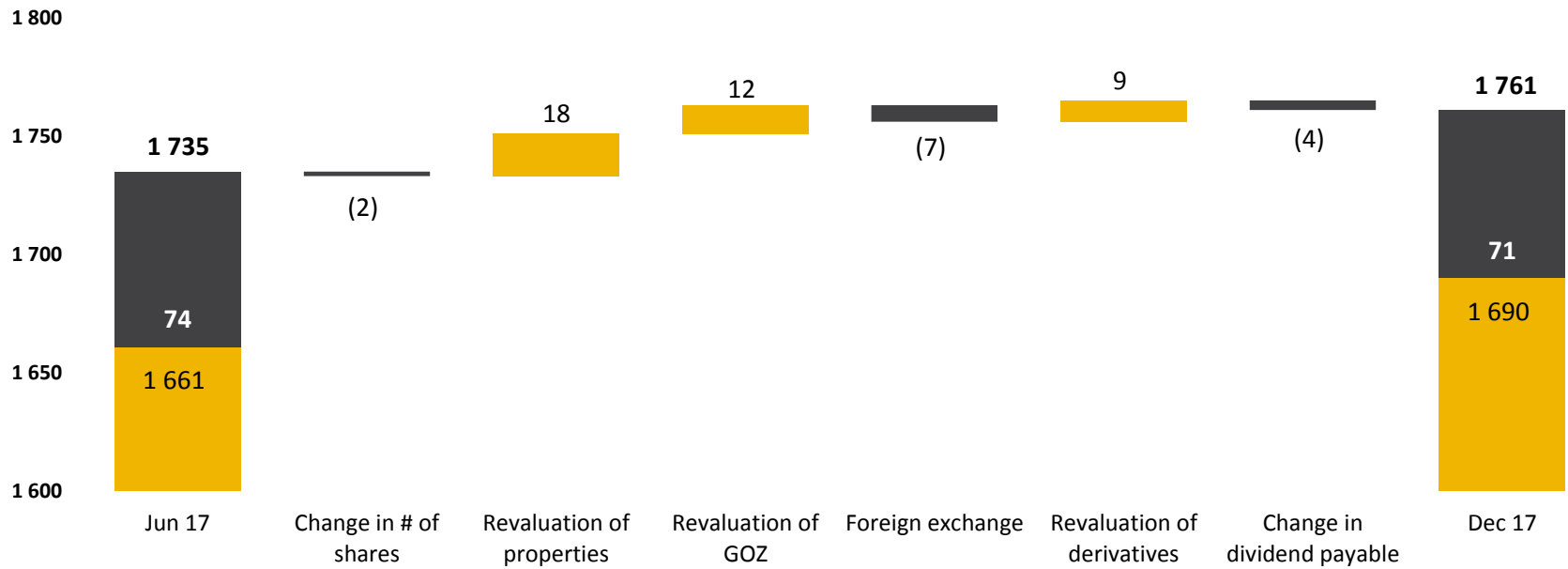
GOZ  
› Price  
appreciation,  
stronger rand

USA  
› Equity  
accounted,  
stronger rand

Derivative  
contracts,  
loans receivable

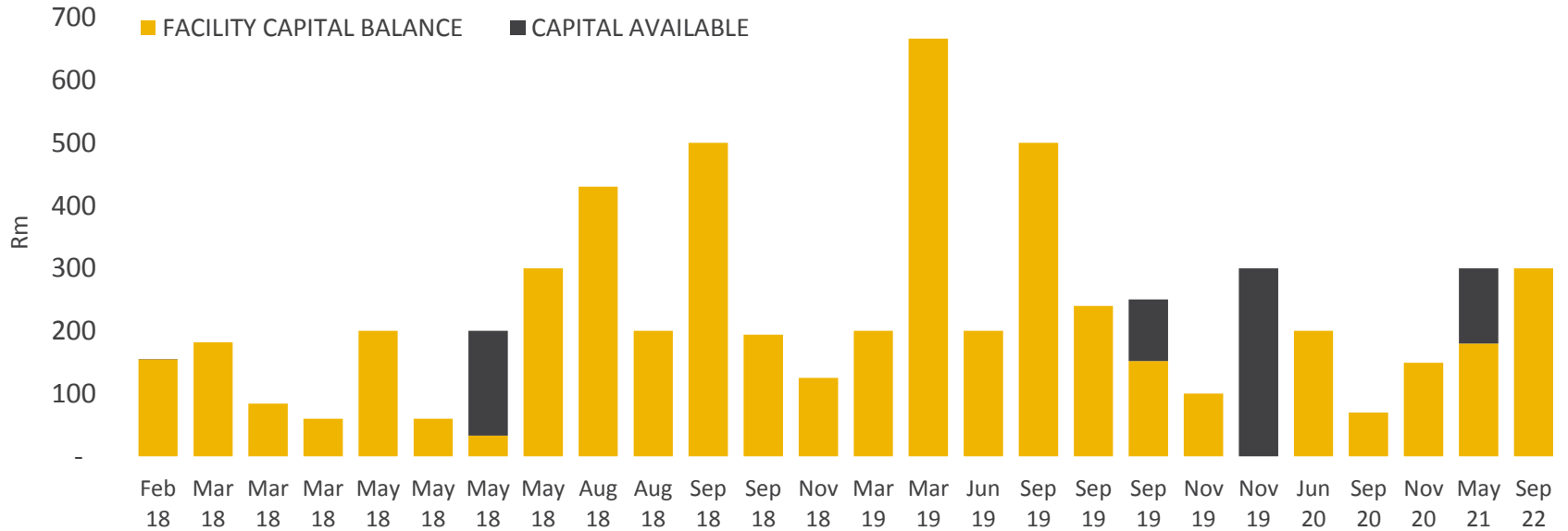
LTV = 37.2%

## NET ASSET VALUE PER SHARE



1.5% increase in NAV per share

## DEBT FUNDING MIX



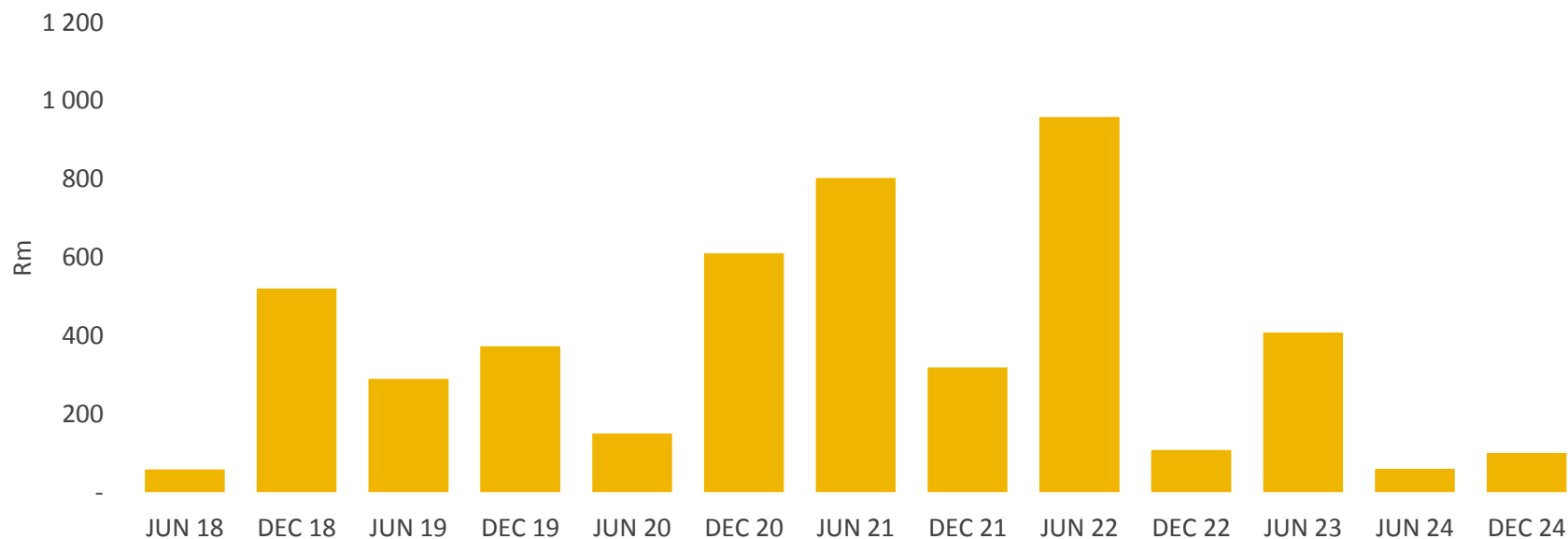
R1.2bn of rollovers and new loans concluded to Dec 2017

R2.5bn debt maturing next 12 months

R685m of undrawn, backup facilities

Diversified sources of funding, unencumbered assets

## INTEREST RATE SWAP PROFILE



Hedged  
debt

87%

Weighted average  
duration to expiry

3.2 years

Weighted average  
all in interest rate

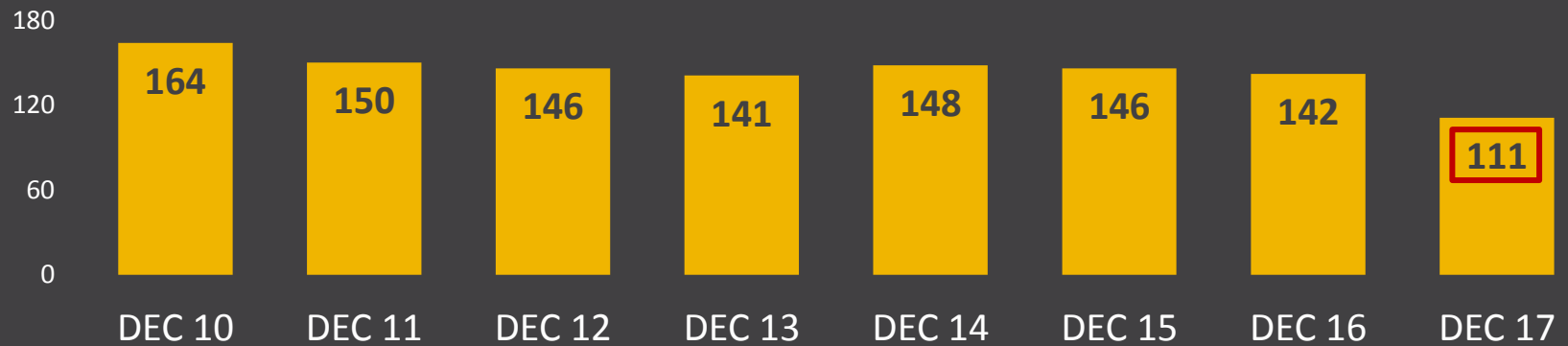
8.0%

# DIRECT SA PORTFOLIO PERFORMANCE

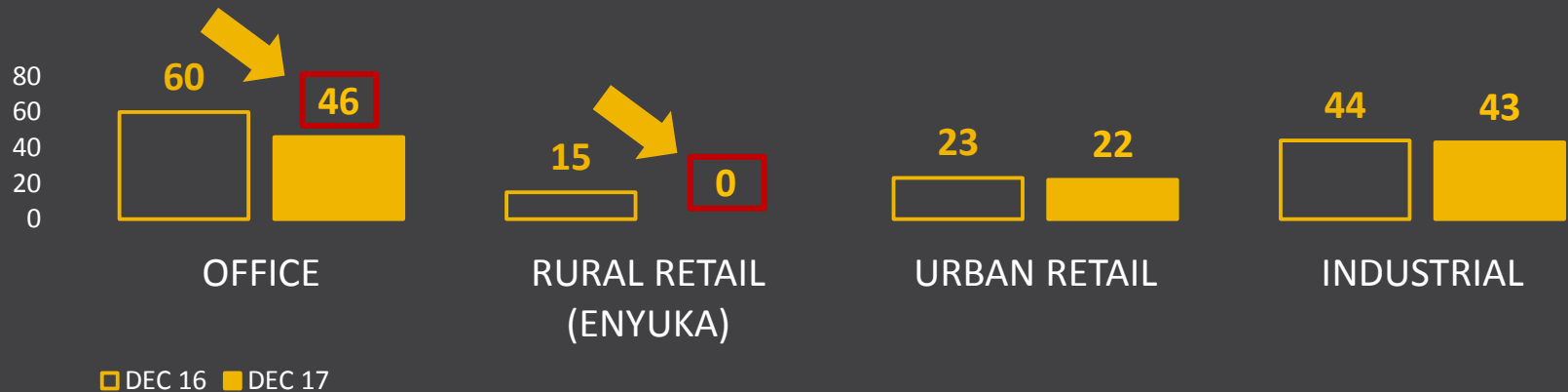
ULANA VAN BILJON  
COO

## PROPERTY PORTFOLIO SUMMARY

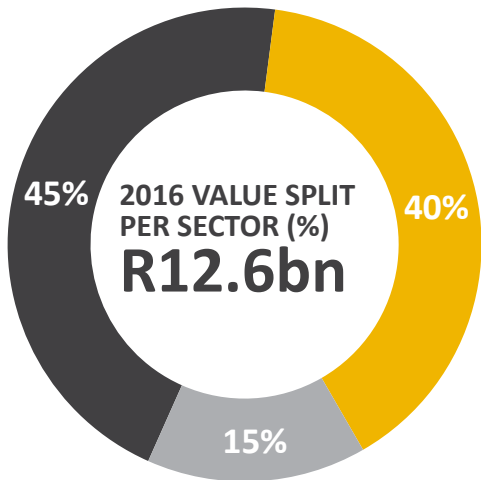
### NUMBER OF PROPERTIES



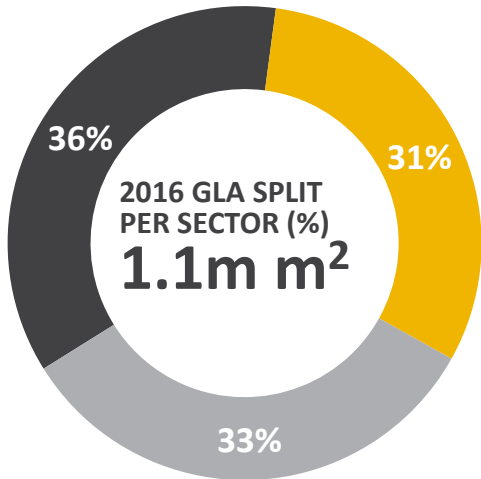
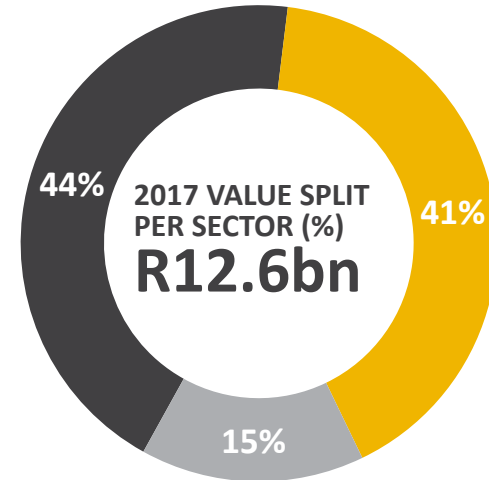
### NUMBER OF PROPERTIES PER SECTOR – 2016 VS 2017



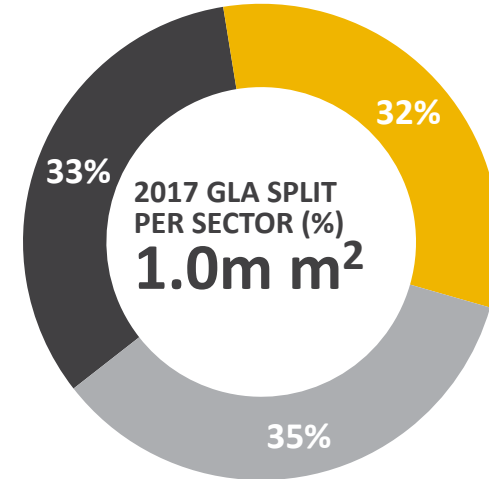
## PROPERTY PORTFOLIO SUMMARY: SECTORAL SPLIT



- OFFICE
- URBAN RETAIL
- INDUSTRIAL



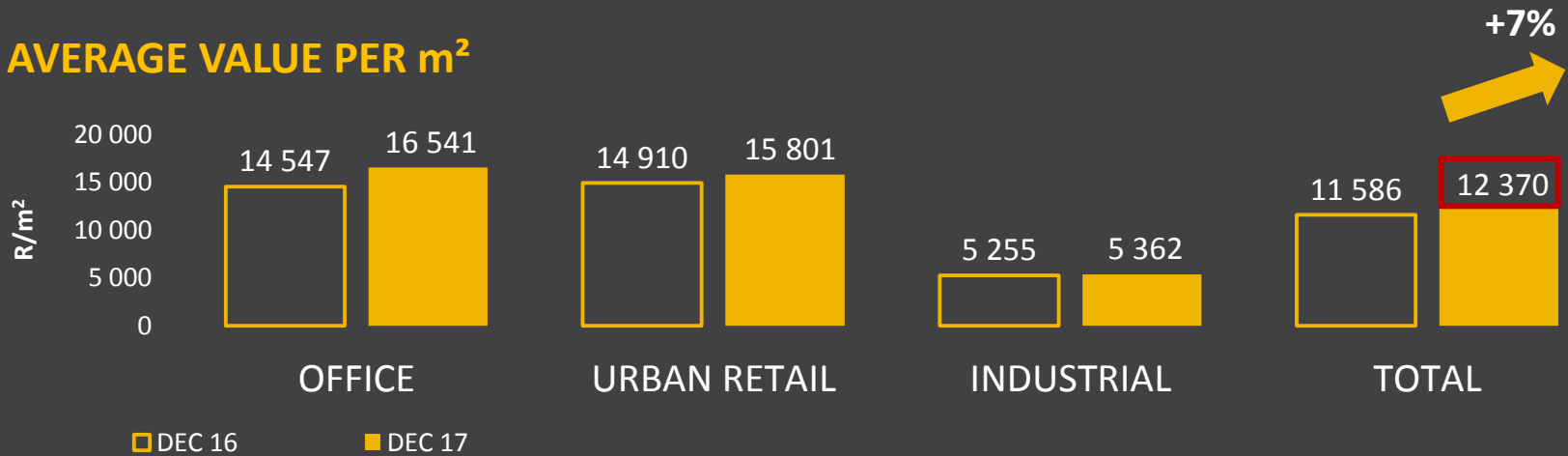
- OFFICE
- URBAN RETAIL
- INDUSTRIAL





## PROPERTY PORTFOLIO SUMMARY

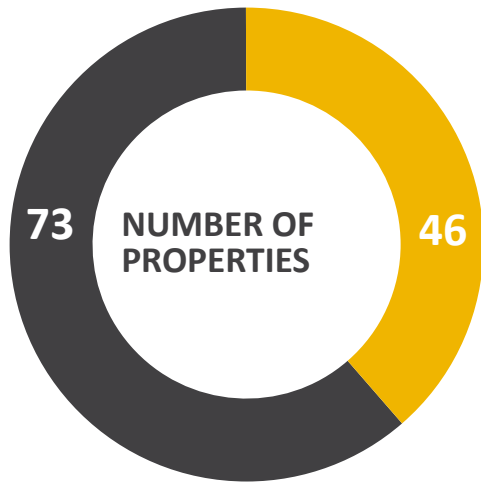
### AVERAGE VALUE PER m<sup>2</sup>



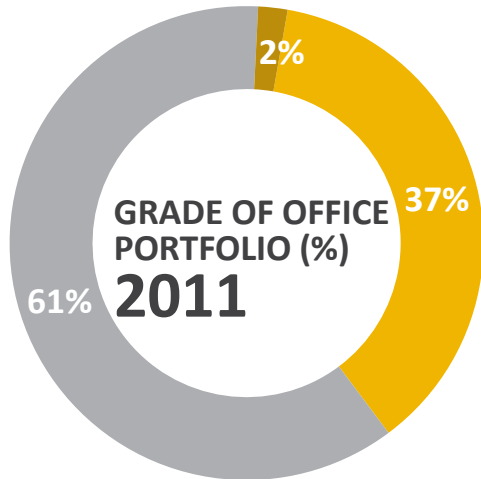
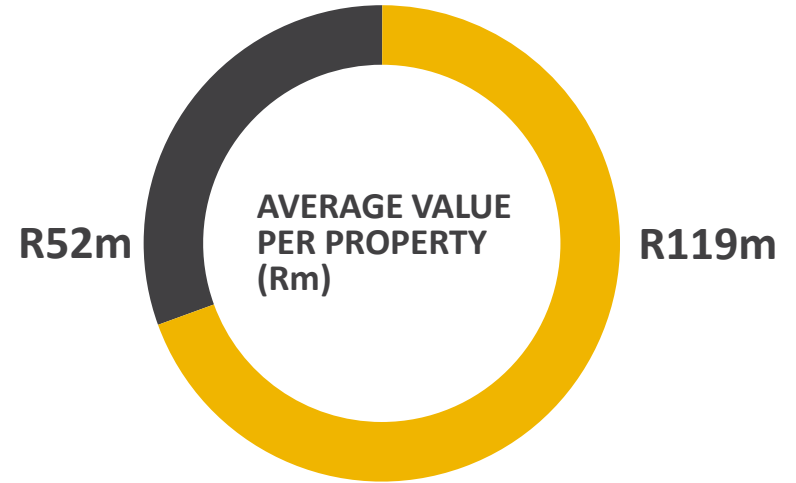
### AVERAGE VALUE PER PROPERTY



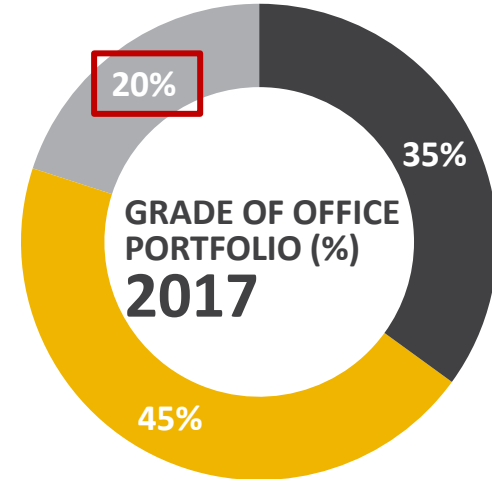
## OFFICE SECTOR EXPOSURE



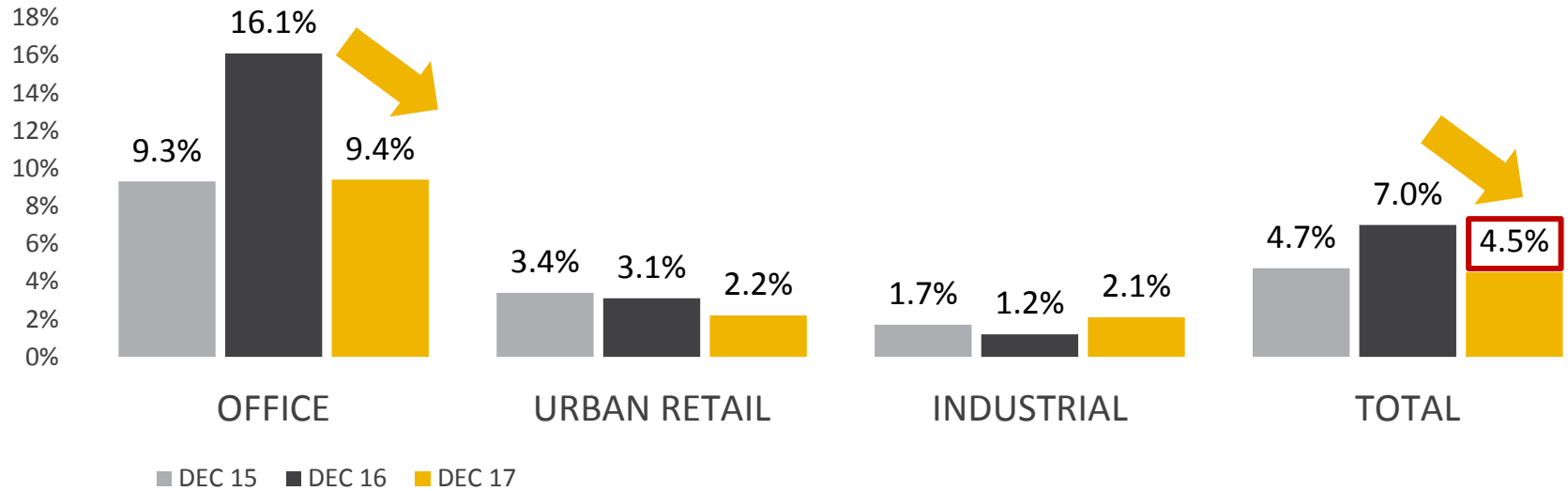
- 2011
- 2017



- P-GRADE
- A-GRADE
- B-GRADE
- C-GRADE



## VACANCY PROFILE BY GLA (%)



Office vacancies decreased to 9.4% (SAPOA 11.2%)

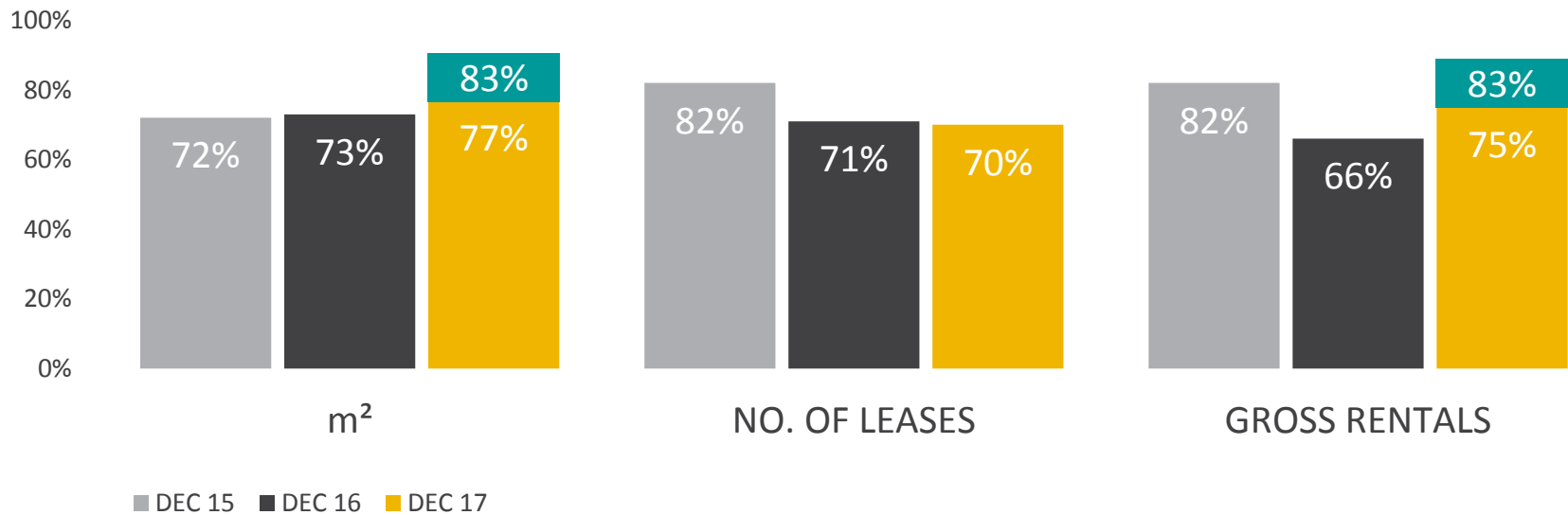
**Contributors**  
 1 Kikuyu (7 383m<sup>2</sup>)  
 Corobay (5 510m<sup>2</sup>)  
 Iustitia (5 141m<sup>2</sup>)

**Largest vacancies**  
 Corobay Corner (6 330m<sup>2</sup>, 46%)  
 Knightsbridge (3 877m<sup>2</sup>, 31%)  
 Menlyn Square (2 215m<sup>2</sup>, 23%)

Urban retail vacancies decreased to 2.2% (SAPOA 4.2%)











Industrial vacancies increased to 2.1% (SAPOA 3.5%)

## TENANT RETENTION (%)



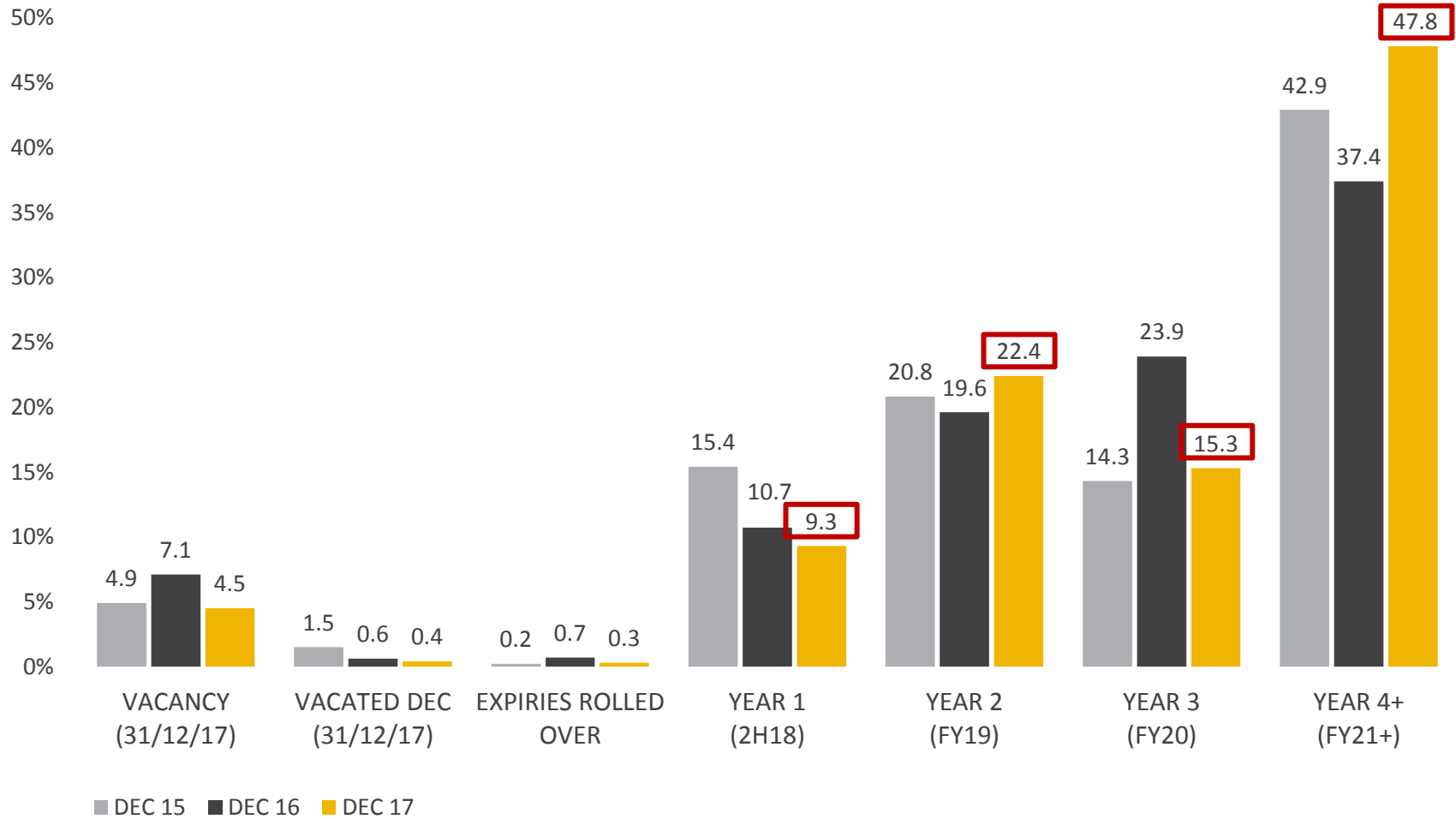
Expiries of 126 254m<sup>2</sup> equals 285 leases or R14.8m gross rentals per month

## 10 MAJOR LEASE EXPIRIES BY GROSS RENTAL: 1H18

| PROPERTY                              | TENANT                           | LEASE END | GLA (m <sup>2</sup> ) |   | STATUS                              |
|---------------------------------------|----------------------------------|-----------|-----------------------|---|-------------------------------------|
| 12 Baker Street /<br>2 Sturdee Avenue | Sasol                            | Aug 17    | 10 239                |    | Vacated<br>(Residential conversion) |
| Tuinhof                               | Trans Caledon Tunnel             | Dec 17    | 3 757                 |    | Renewed – 1 year                    |
| RTT Continental                       | RTT Group                        | Dec 17    | 12 921                |    | Renewed – 3 years                   |
| Podium at Menlyn                      | SA Forestry                      | Sep 17    | 2 419                 |    | Renewed – 3 years                   |
| Cambridge Park                        | Itec                             | Dec 17    | 5 617                 |    | Renewed – 3 years                   |
| Waterside Place                       | Aecom                            | Jul 17    | 2 315                 |    | Renewed – 5 years                   |
| Wonderpark                            | Cashbuild                        | Nov 17    | 2 227                 |    | Renewed – 7 months                  |
| Boundary Terraces                     | Provident Society<br>Investments | Dec 17    | 1 866                 |  | Renewed – 1 year                    |
| Lincolnwood<br>Office Park            | Altech                           | Sep 17    | 2 329                 |  | Renewed – 3 years<br>and 9 months   |
| Cambridge Park                        | Netflorist                       | Oct 17    | 3 423                 |  | Renewed – 1 year                    |

**47 114 (71% renewed – calculated on gross rental)  
(100% excluding Sasol)**

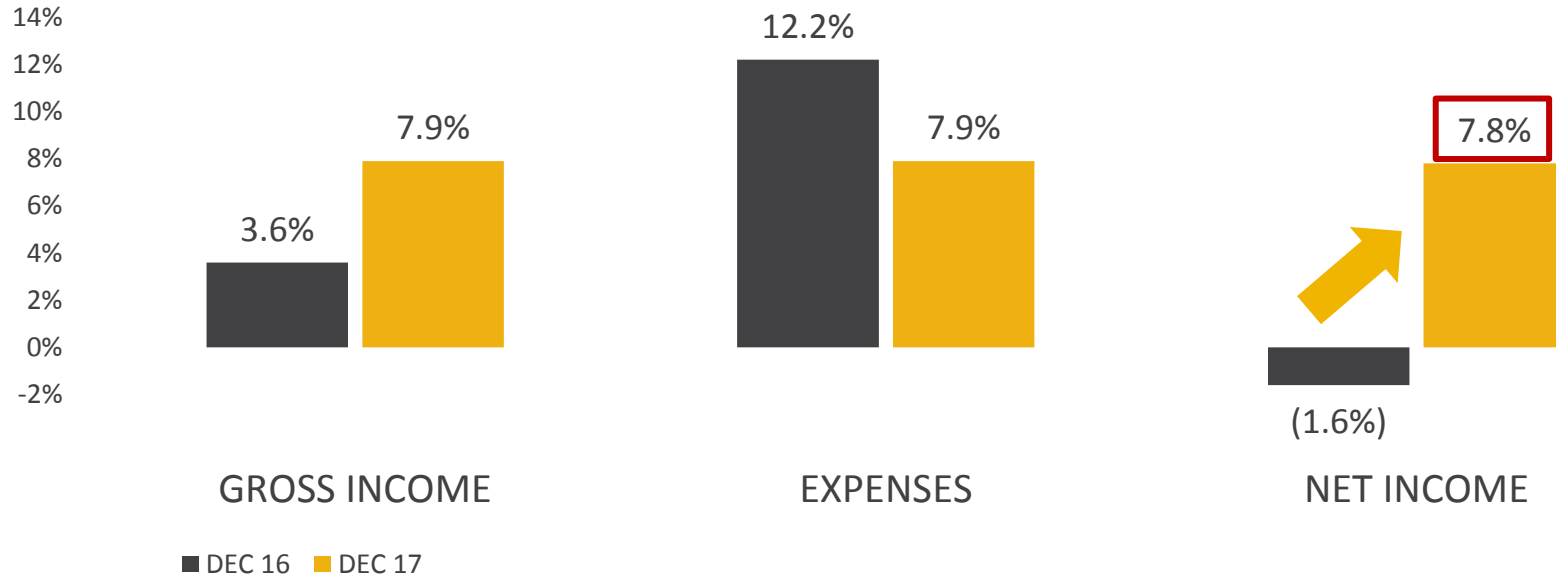
## LEASE EXPIRY PROFILE BY GLA (%)



## REVERSIONS – TOTAL (GROSS RENTALS)

| SECTOR              | AREA           | AVG.<br>EXPIRY RENTAL | AVG. NEW<br>LEASE RENTAL | INCREASE/<br>(DECREASE) % |
|---------------------|----------------|-----------------------|--------------------------|---------------------------|
| Office              | 41 609         | 136.38                | 129.48                   | -5.1                      |
| Urban retail        | 32 826         | 161.21                | 159.88                   | -0.8                      |
| Industrial          | 64 127         | 53.79                 | 53.16                    | -1.2                      |
| <b>Total Dec 17</b> | <b>138 562</b> | <b>104.35</b>         | <b>101.36</b>            | <b>-2.9</b>               |
| <b>Total Dec 16</b> | <b>145 096</b> | <b>82.56</b>          | <b>80.16</b>             | <b>-2.9</b>               |
| <b>Total Dec 15</b> | <b>141 128</b> | <b>105.73</b>         | <b>105.64</b>            | <b>-0.1</b>               |

## YEAR-ON-YEAR LIKE-FOR-LIKE GROWTH IN NET INCOME (static portfolio) (%)



### GROSS INCOME

Improved take-up of vacancies  
(Corobay, Iustitia, Menlyn Square, Tramshed)

### EXPENSES

Well managed



## RETAIL TRADING STATISTICS







Trading density  
growth  
2.2%

Foot count  
growth  
-0.6%











Spend per head  
growth  
3.0%

## 10 MAJOR LEASE EXPIRIES BY GROSS RENTAL: 2H18

| PROPERTY           | TENANT                 | LEASE END | GLA (m <sup>2</sup> ) |   | STATUS                                   |
|--------------------|------------------------|-----------|-----------------------|---|--|
| Wonderpark         | Builders Express       | Apr 18    | 2 483                 |    | Renewed – 5 years                        |
| Morgan Creek       | Simba                  | May 18    | 4 644                 |    | Negotiating with tenant – 2 years        |
| Wonderpark         | Cashbuild              | Jun 18    | 2 227                 |    | Will vacate<br>(Replacement tenant BUCO) |
| Kramerville Corner | Griffiths & Griffiths  | Apr 18    | 3 124                 |    | Renewed – 2 years<br>and 8 months        |
| Wonderpark         | Chevron SA             | Jan 18    | 3 461                 |    | Renewed – 10 years                       |
| Technohub          | Vodacom                | Mar 18    | 3 342                 |    | Renewed – 1 year                         |
| Wonderpark         | Standard Bank          | May 18    | 960                   |    | Renewed – 5 years                        |
| Omni Centrum       | Dept of Public Works   | Mar 18    | 2 129                 |  | Month to month lease                     |
| Wonderpark         | Foschini Group         | Apr 18    | 855                   |  | Negotiating with tenant – 5 years        |
| 9 Long             | National Debt Advisors | May 18    | 1 619                 |  | Renewed – 2 years                        |

24 846 (70% renewed – calculated on gross rental)

## 10 MAJOR LEASE EXPIRIES BY GROSS RENTAL: FY19

| PROPERTY            | TENANT               | LEASE END | GLA (m <sup>2</sup> ) |   | STATUS                                   |
|---------------------|----------------------|-----------|-----------------------|---|--|
| Tuinhof             | Trans Caledon Tunnel | Dec 18    | 3 757                 |    | Expecting to renew                       |
| Corporate Park 66   | PSG Wealth           | Jun 19    | 3 161                 |    | Expecting to renew                       |
| 7 Naivasha          | Group M              | Apr 19    | 4 673                 |    | Expecting to renew                       |
| Trellidor           | Trellidor            | Sep 18    | 7 794                 |    | Expecting to renew                       |
| 1059 Francis Baard  | SABC                 | Aug 18    | 2 925                 |    | Expecting to renew                       |
| 14-16 Boston Circle | Bidvest Data         | Jun 19    | 7 533                 |    | Expecting to renew                       |
| Wonderpark          | Truworths            | Oct 18    | 1 987                 |    | Expecting to renew                       |
| Quagga Centre       | Shoprite Checkers    | Nov 18    | 5 715                 |  | Renewed – 5 years                        |
| Defy                | Defy                 | Sep 18    | 10 100                |  | Expecting to renew                       |
| Podium at Menlyn    | Hatch Goba           | Apr 19    | 1 812                 |  | Vacated<br>(Negotiating with sub-tenant) |

49 458 (100% renewed)

## IN SUMMARY



# INVESTMENTS

**GEOFF JENNETT**  
CEO

## KNIGHTSBRIDGE: P-GRADE



### BRYANSTON

GLA 31 584m<sup>2</sup>

Phase 1 GLA 12 385m<sup>2</sup>

Occupancy GLA 8 401m<sup>2</sup>

Phase 2 GLA 3 564m<sup>2</sup>

### PROJECT COST

R820m

R339.2m

R107.0m

### COMPLETION

Dec 19

Sep 17/Oct 17

Jun 18

## ROSEBANK RESIDENTIAL TO RENT



- › 280 units, focus on LSM 7 – 8
- › Development spend R121m
- › Spend to date R12m (+R81m land)
- › Handover/completion Jan 19
- › JV with Feenstra Group
- › 75% co-ownership
- › Yield >10.5%

## CAPEX PROJECTS IN PROGRESS

|   | SPEND TO DATE (Rm) | VALUE (Rm)   | COMPLETION |
|---|--------------------|--------------|------------|
| Knightsbridge – Phase 2                         | 13.5               | 106.5        | Jun 18     |
| The Bolton (12 Baker Street + 2 Sturdee Avenue) | 93.0               | 201.7        | Jan 19     |
| <b>Total</b>                                    | <b>106.5</b>       | <b>308.2</b> |            |

Yield on completion of  
top two projects of above

9.3%

Yield on a further nine projects  
of R49m currently in progress

8.5%

Further projects in  
planning (not committed)

R672m



## ENYUKA



15 original  
assets R618m

6 new assets  
acquired  
R282m

R140m under  
contract

On track for  
>R1.2bn assets  
target

## DISPOSALS: 1H18



5 office buildings  
and 1 industrial  
building

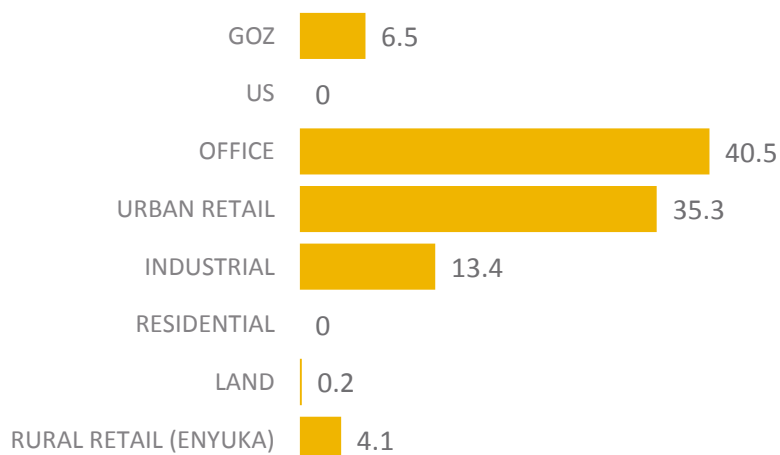
R236.5m

Forward yield  
7.6%

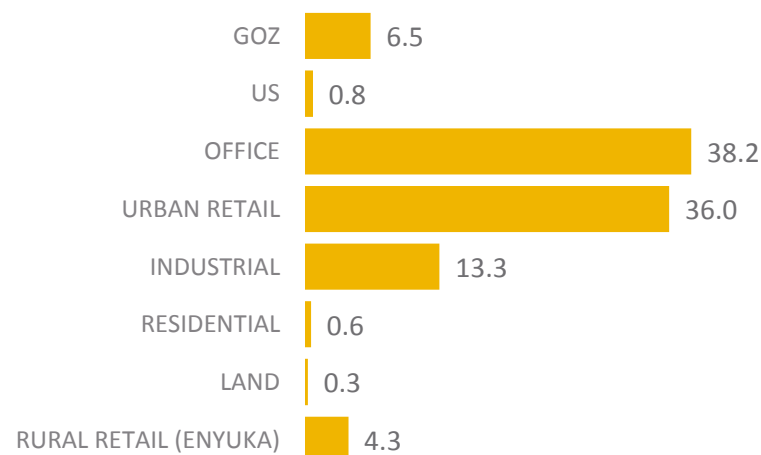
Premium  
+14.8%

## REBALANCING (%)

### DEC 2016



### DEC 2017



R1.1bn held for sale

Unconditional offers  
for R210m

Offshore expansion

## PREVIOUS FY18 OUTLOOK

- › Responsible rebalancing continues ✓
- › Groundwork for the future has been laid ✓
- › Return to positive growth ✓
- › Plan to increase offshore exposure ✓

## OFFSHORE – PRESS RELEASE – NOVEMBER 2017

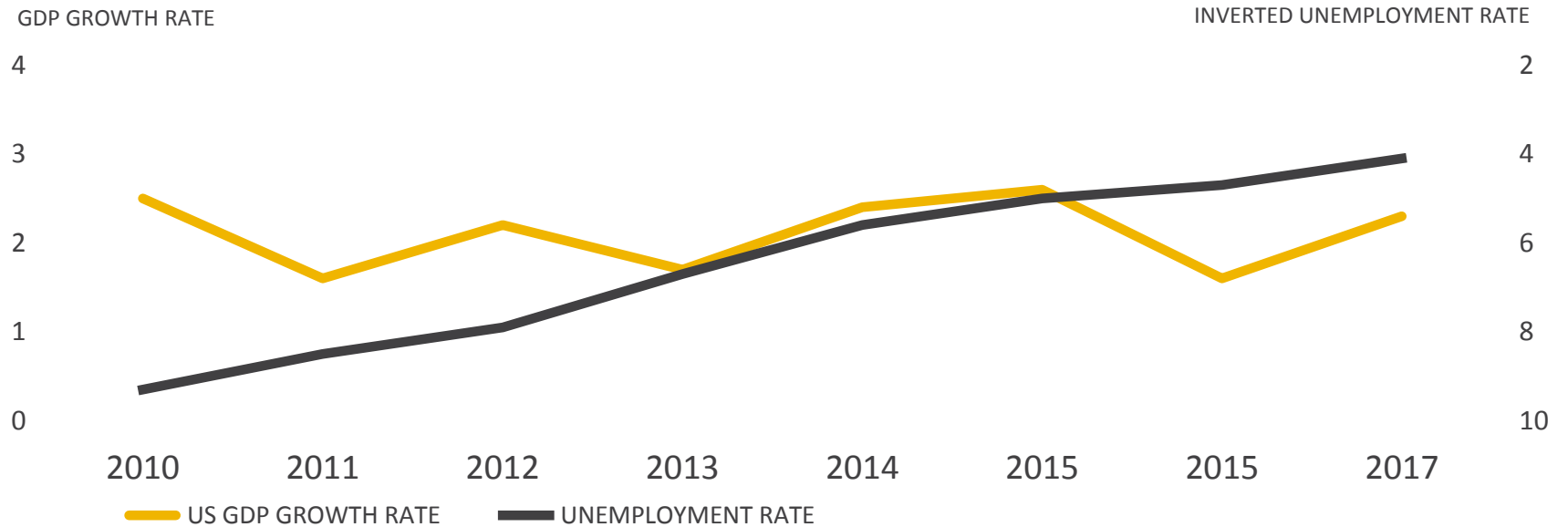
# Emira launches USA investment strategy

Diversification of  
assets and income

Convenient grocery  
anchored urban  
retail – resilient

Better ZAR returns,  
locked-in growth rates

## USA GDP GROWTH OVER 2010-2017 + UNEMPLOYMENT (%)



USA – largest economy and macro growth

Chosen states – GDP growth, low unemployment and population growth

## EMIRA CO-INVESTMENT MODEL

- › US partners that co-invest with Emira
- › US to US deal making – access to deals, pricing and bank funding
- › Like minded partners



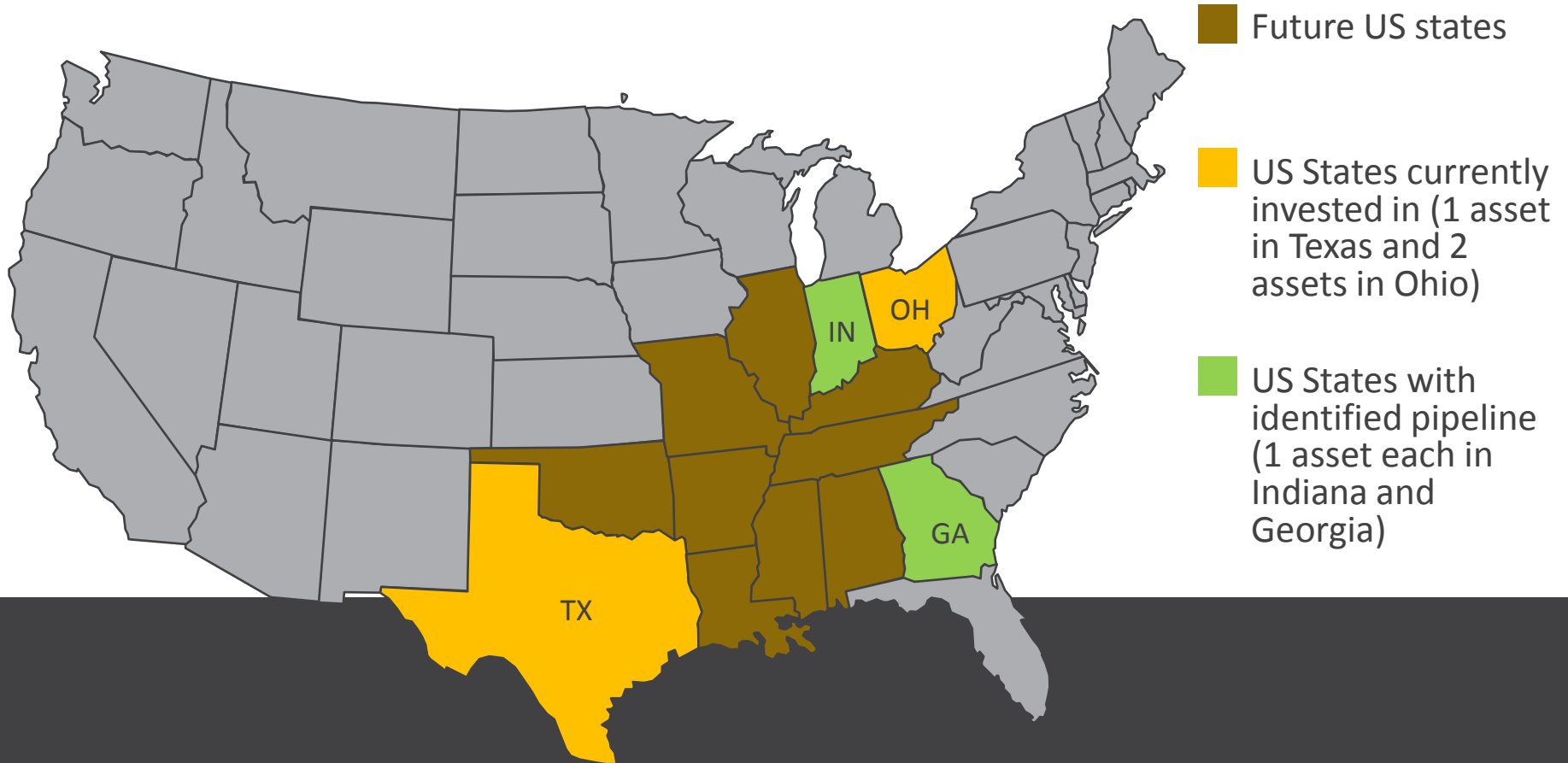
RAINIER  
G R O U P

Rainier Group  
of companies

Dallas, Texas-based  
>USD1bn of assets  
under management

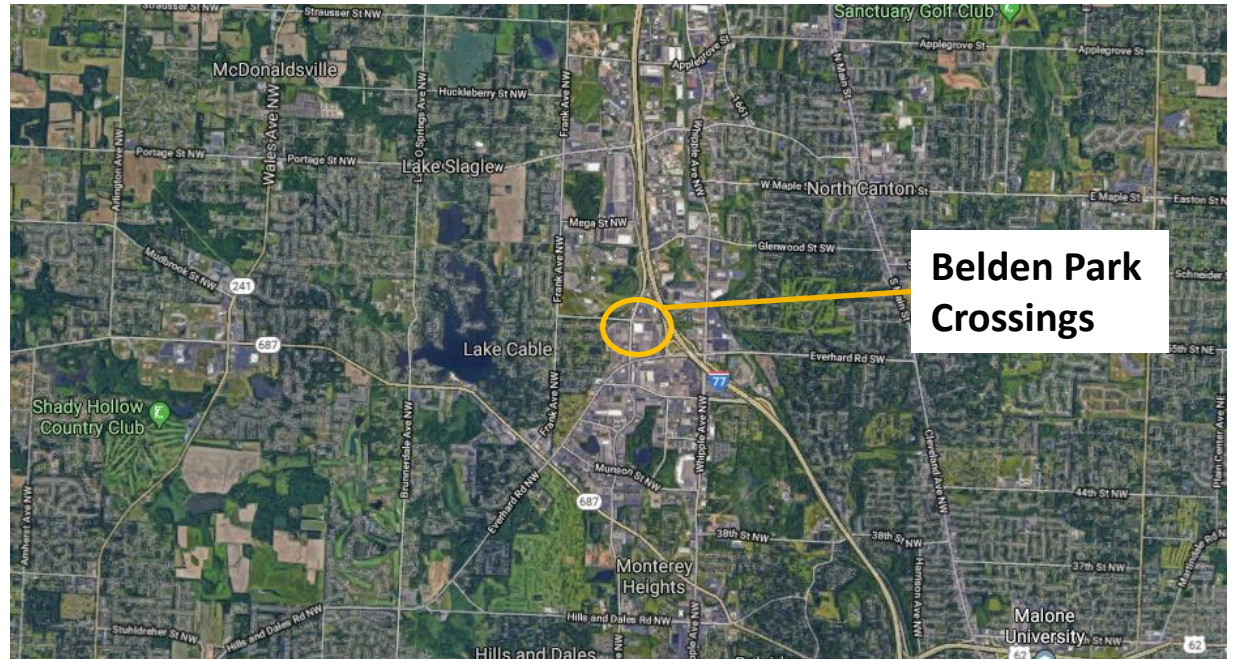
Further  
partner/investor  
Stark Enterprises

## US GEOGRAPHICAL EXPOSURE





## BELDEN PARK CROSSINGS – LOCATION AND SITUATION

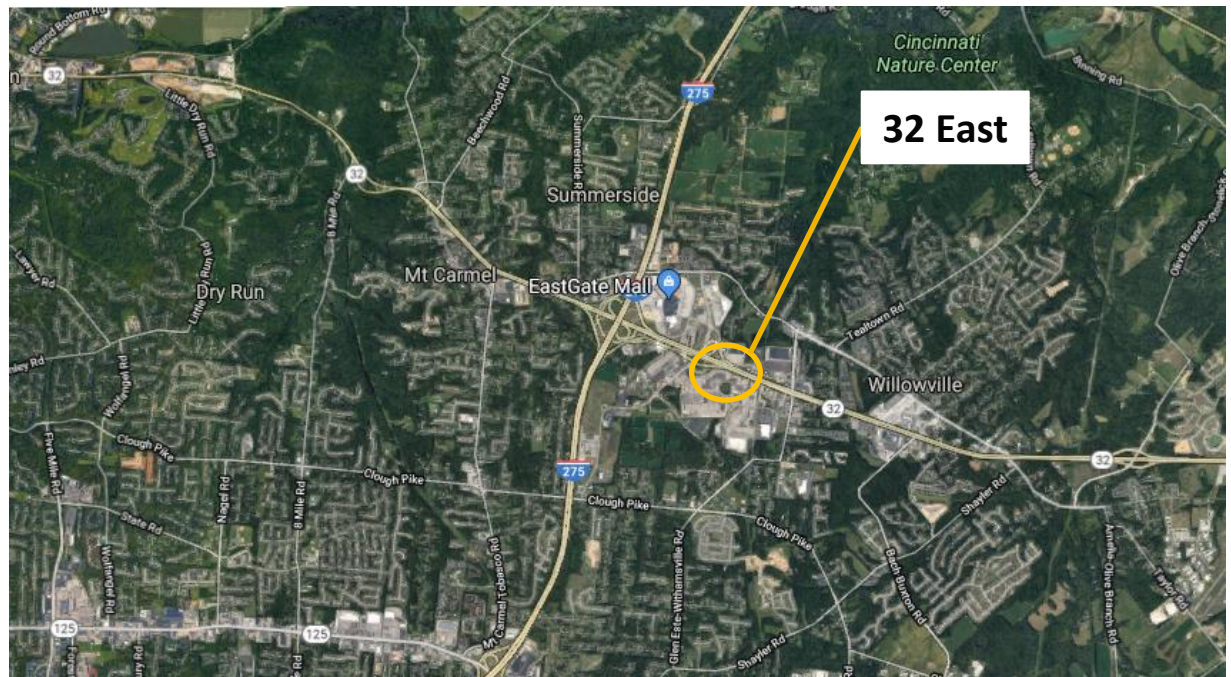


# BELDEN PARK CROSSINGS – NORTH CANTON, OHIO (17 OCT 2017)



|                       |                          |                  |                                       |                            |
|-----------------------|--------------------------|------------------|---------------------------------------|----------------------------|
| <b>PURCHASE PRICE</b> | <b>GLA</b>               | <b>OCCUPANCY</b> | <b>EMIRA INVESTMENT</b>               | <b>CASH-ON-CASH RETURN</b> |
| USD67.0m (100%)       | 482 534ft <sup>2</sup>   | 93.2%            | USD8.4m                               | USD 12.0%                  |
| <b>YIELD</b>          | <b>SITE EXTENT</b>       | <b>WALE</b>      | <b>(46.7% preferred equity stake)</b> |                            |
| 8.1%                  | 1 958 022ft <sup>2</sup> | 3.3 years        |                                       |                            |

## 32 EAST – LOCATION AND SITUATION



## 32 EAST – CINCINNATI, OHIO (19 JAN 2018)



|                       |                        |                  |                                       |                            |
|-----------------------|------------------------|------------------|---------------------------------------|----------------------------|
| <b>PURCHASE PRICE</b> | <b>GLA</b>             | <b>OCCUPANCY</b> | <b>EMIRA INVESTMENT</b>               | <b>CASH-ON-CASH RETURN</b> |
| USD29.1m (100%)       | 188 912ft <sup>2</sup> | 100%             | USD4.25m                              | USD 12.0%                  |
| <b>YIELD</b>          | <b>SITE EXTENT</b>     | <b>WALE</b>      | <b>(49.4% preferred equity stake)</b> |                            |
| 8.4%                  | 912 887ft <sup>2</sup> | 8.5 years        |                                       |                            |

## MOORE PLAZA – LOCATION AND SITUATION



# MOORE PLAZA – CORPUS CHRISTI, TEXAS (18 JAN 2018)



|                       |                          |                  |                             |                            |
|-----------------------|--------------------------|------------------|-----------------------------|----------------------------|
| <b>PURCHASE PRICE</b> | <b>GLA</b>               | <b>OCCUPANCY</b> | <b>EMIRA INVESTMENT</b>     | <b>CASH-ON-CASH RETURN</b> |
| USD70.6m (100%)       | 380 592ft <sup>2</sup>   | 99.2%            | USD13.1m                    | USD 12.14%                 |
| <b>YIELD</b>          | <b>SITE EXTENT</b>       | <b>WALE</b>      | <b>(49.5% equity stake)</b> |                            |
| 8.1%                  | 1 488 010ft <sup>2</sup> | 3.8 years        |                             |                            |

## FY18/19 SUMMARY

- › Responsible rebalancing continues
- › Groundwork for the future has been laid and rewards are starting to come through
- › Continue to increase offshore exposure

## FY18/19 OUTLOOK

- › Solid NAV underpin
- › Expected growth in DPS of 2.5% for FY18
- › FY19 expected to return a minimum of real growth



THANK YOU



# ANNEXURES



EMIRA  
PROPERTY FUND

## DEBT MIX ANALYSIS

| CURRENCY   | ZAR    | AUD   | USD   | TOTAL         |
|--|--------|-------|-------|---------------|
| Income producing assets                            | 13 413 | 941   | 100   | <b>14 453</b> |
| Total facilities (Rm)                              | 6 165  |       | –     | <b>6 165</b>  |
| Reclassified as foreign debt through CCIRS (Rm)    | (998)  | 845   | 153*  | –             |
| Adjusted total facilities (Rm)                     | 5 167  | 845   | 153*  | <b>6 165</b>  |
| Drawn facilities (net of cash) (Rm)                | 4 434  | 845   | 102   | <b>5 381</b>  |
| LTV %  | 33.1   | 89.8  | 102.0 | <b>37.2</b>   |
| Fixed debt (Rm)                                    | 3 760  | 845   | 153   | <b>4 758</b>  |
| Fixed debt %                                       | 83.6   | 100.0 | 100.0 | <b>86.8</b>   |
| Weighted avg duration to expiry – facilities years | 1.4    | 0.0   | 0.0   | <b>1.4</b>    |
| Weighted avg duration to expiry – hedges years     | 3.1    | 3.6   | 3.9   | <b>3.2</b>    |
| Weighted avg all in cost of debt %                 | 8.9    | 2.2   | 2.2   | <b>8.0</b>    |

\* Including CCIRS in respect of deposits paid on assets still to be transferred not yet included in income producing assets.

## DEBT COVENANTS

| FACILITY                                    | VALUE OF PROPERTIES<br>Rm | FACILITY AVAILABLE<br>Rm | FACILITY DRAWN<br>Rm | TRANSACTION LTV COVENANT<br>% | TRANSACTION LTV ACTUAL<br>% | TRANSACTION LTV ACTUAL (AVAILABLE)<br>% | CORPORATE LTV COVENANT<br>% | CORPORATE LTV ACTUAL*<br>% | CORPORATE ICR COVENANT<br>times | CORPORATE ICR ACTUAL<br>times |
|---|---------------------------|--------------------------|----------------------|-------------------------------|-----------------------------|---|-----------------------------|----------------------------|---------------------------------|-------------------------------|
| Nedbank (secured)                           | 987                       | 700                      | 700                  | n/a                           | 70.9                        | 70.9                                    | 40.0                        | 37.2                       | 2.0                             | 2.6                           |
| Standard Bank (secured)                     | 898                       | 500                      | 380                  | 70.0                          | 42.3                        | 55.7                                    | 50.0                        | 37.2                       | 2.0                             | 2.6                           |
| DMTN – commercial paper + bonds (unsecured) | –                         | 1 694                    | 1 694                | n/a                           | n/a                         | n/a                                     | 50.0                        | 37.2                       | n/a                             | n/a                           |
| DMTN – bonds (secured)                      | 1 345                     | 500                      | 500                  | 40.0                          | 37.2                        | 37.2                                    | 50.0                        | 37.2                       | n/a                             | n/a                           |
| RMB (secured)                               | 5 533                     | 1 966                    | 1 666                | 40.0                          | 30.1                        | 35.5                                    | 40.0                        | 37.2                       | 2.0                             | 2.6                           |
| ABSA (secured)                              | 593                       | 250                      | 152                  | 45.0                          | 25.7                        | 42.2                                    | 40.0                        | 37.2                       | 2.0                             | 2.6                           |
| Bank of China (secured)                     | 241                       | 155                      | 155                  | n/a                           | 64.3                        | 64.3                                    | 40.0                        | 37.2                       | 2.0                             | 2.6                           |
| Investec (unsecured)                        | –                         | 200                      | 33                   | n/a                           | n/a                         | n/a                                     | n/a                         | n/a                        | n/a                             | n/a                           |
| Sanlam (unsecured)                          | –                         | 200                      | 200                  | n/a                           | n/a                         | n/a                                     | 50.0                        | 37.2                       | n/a                             | n/a                           |
| <b>Total secured</b>                        | <b>9 596</b>              | <b>6 165</b>             | <b>5 480</b>         |                               |                             |   |                             |                            |                                 |                               |
| Unbonded properties                         | 3 131                     |                          |                      |                               |                             |   |                             |                            |                                 |                               |
| <b>Total properties</b>                     | <b>12 726</b>             |                          |                      |                               |                             |   |                             |                            |                                 |                               |
| GOZ investment                              | 941                       |                          |                      |                               |                             |   |                             |                            |                                 |                               |
| <b>Grand total</b>                          | <b>13 667</b>             | <b>6 165</b>             | <b>5 480**</b>       |                               |                             |   |                             |                            |                                 |                               |

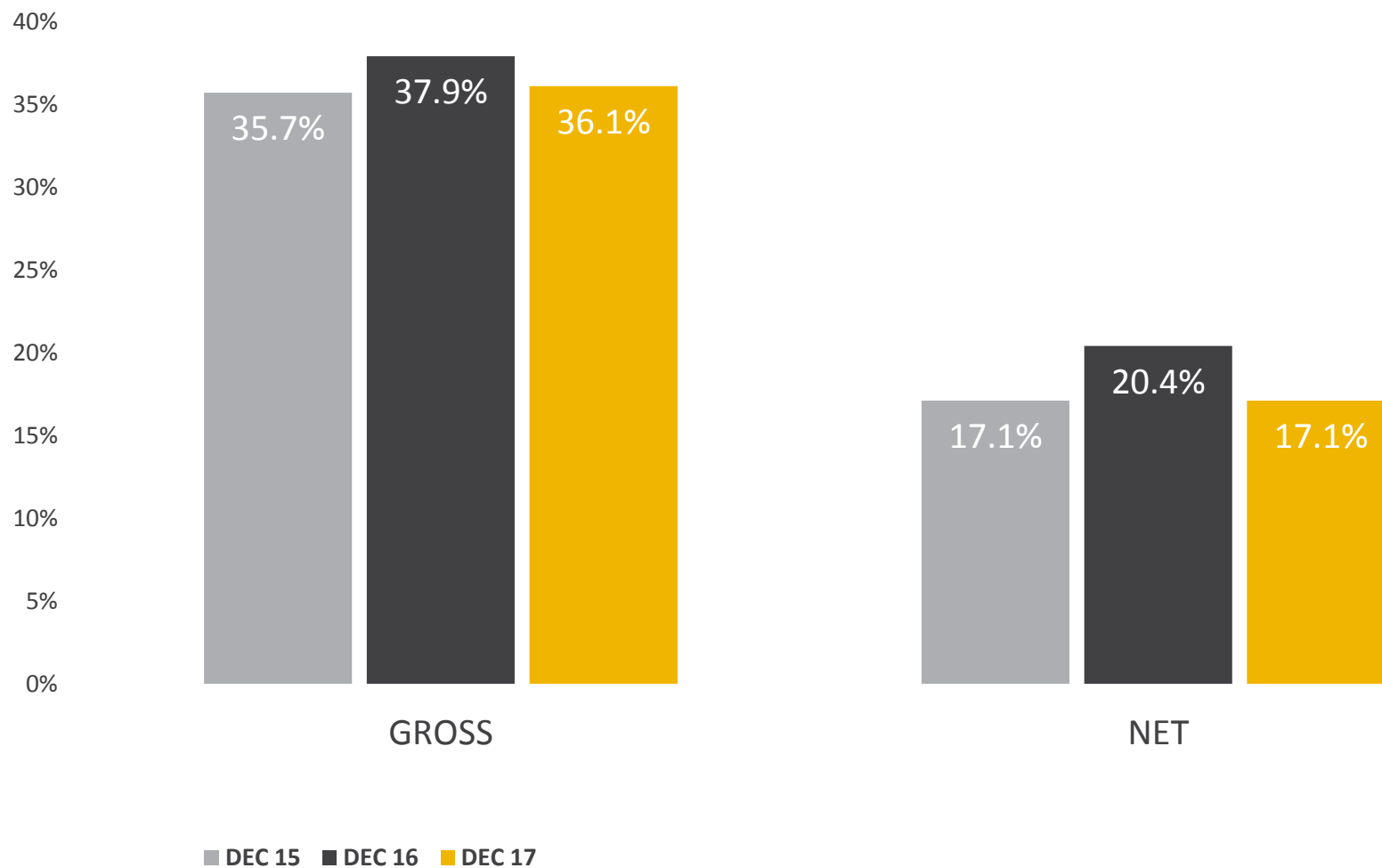
\* Actual corporate LTV calculation includes loans receivable (R72m), equity accounted investments (R714m) and cash on hand (R99m).

\*\* Excludes unamortised debt raising fees of R4m.

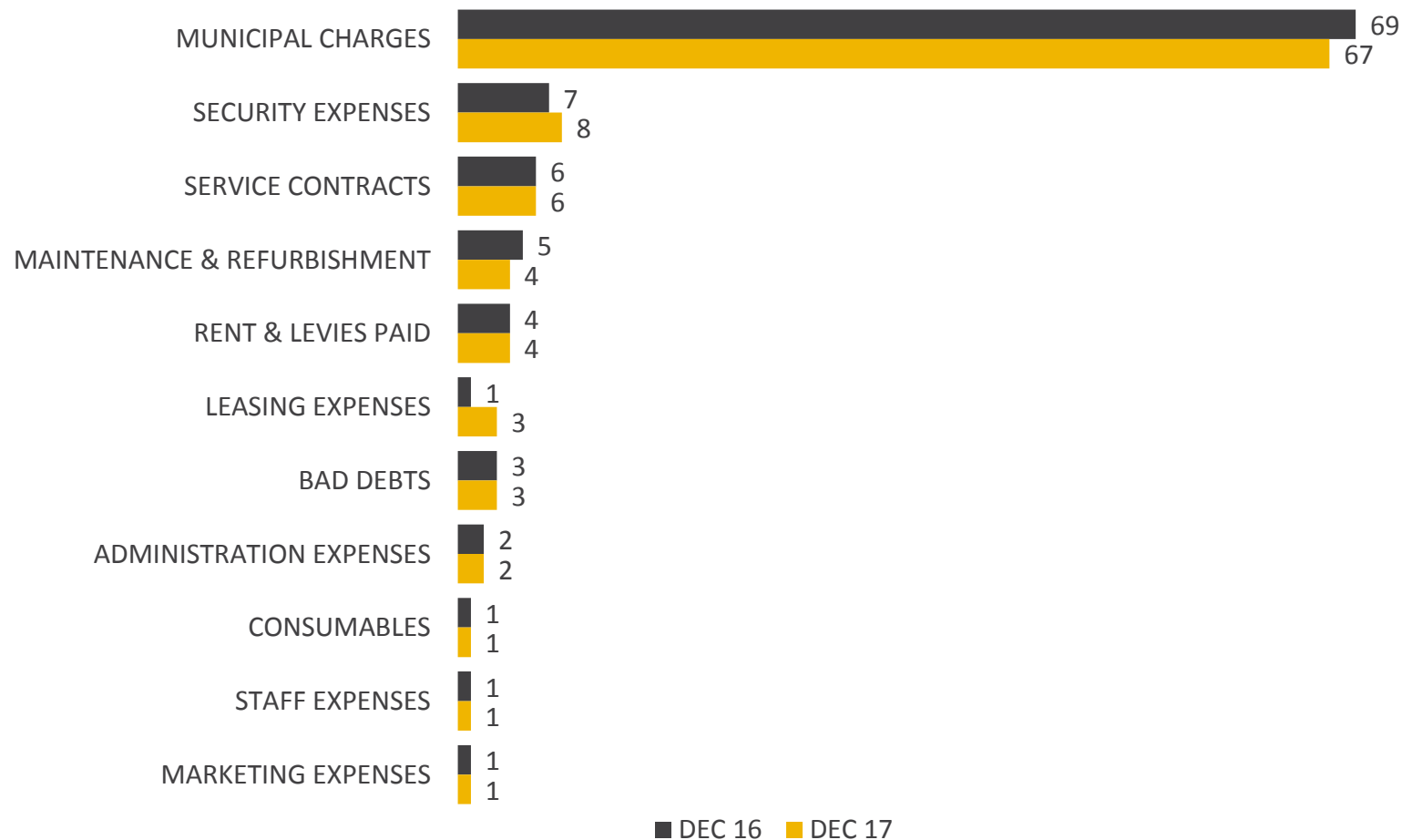
## FOREIGN INCOME: WEIGHTED AVERAGE HEDGED RATE PER REPORTING PERIOD

| Forward rate against ZAR: | GOZ<br>AUD | USA<br>USD |
|---------------------------|------------|------------|
| Jun 18                    | R10.86     | R13.06     |
| Dec 18                    | R11.33     | R13.36     |
| Jun 19                    | R11.61     | R13.70     |
| Dec 19                    | R12.03     | R14.06     |
| Jun 20                    | R12.34     | R14.43     |
| Dec 20                    | –          | R14.83     |
| Jun 21                    | –          | R15.25     |
| Dec 21                    | –          | R15.59     |

## COST-TO-INCOME RATIO (%)



## PROPERTY EXPENSE ANALYSIS (%)



## VALUATION PARAMETERS

|   | DEC 2016  | DEC 2017  |
|---|-----------|-----------|
| <b>Direct property portfolio</b>        |           |           |
| Valuation (Rm) #                        | 13 256    | 12 727    |
| % of the portfolio valued externally *  | 0.0       | 0.0       |
| Average value per property (Rm) ##      | 93        | 113       |
| Average discount rate (%) **            | 14.5      | 14.4      |
| Average exit capitalisation rate (%) ** | 9.5       | 9.3       |
| Number of properties                    | 142       | 111       |
| GLA (m <sup>2</sup> )                   | 1 170 772 | 1 017 950 |

\* External valuations only performed at year end

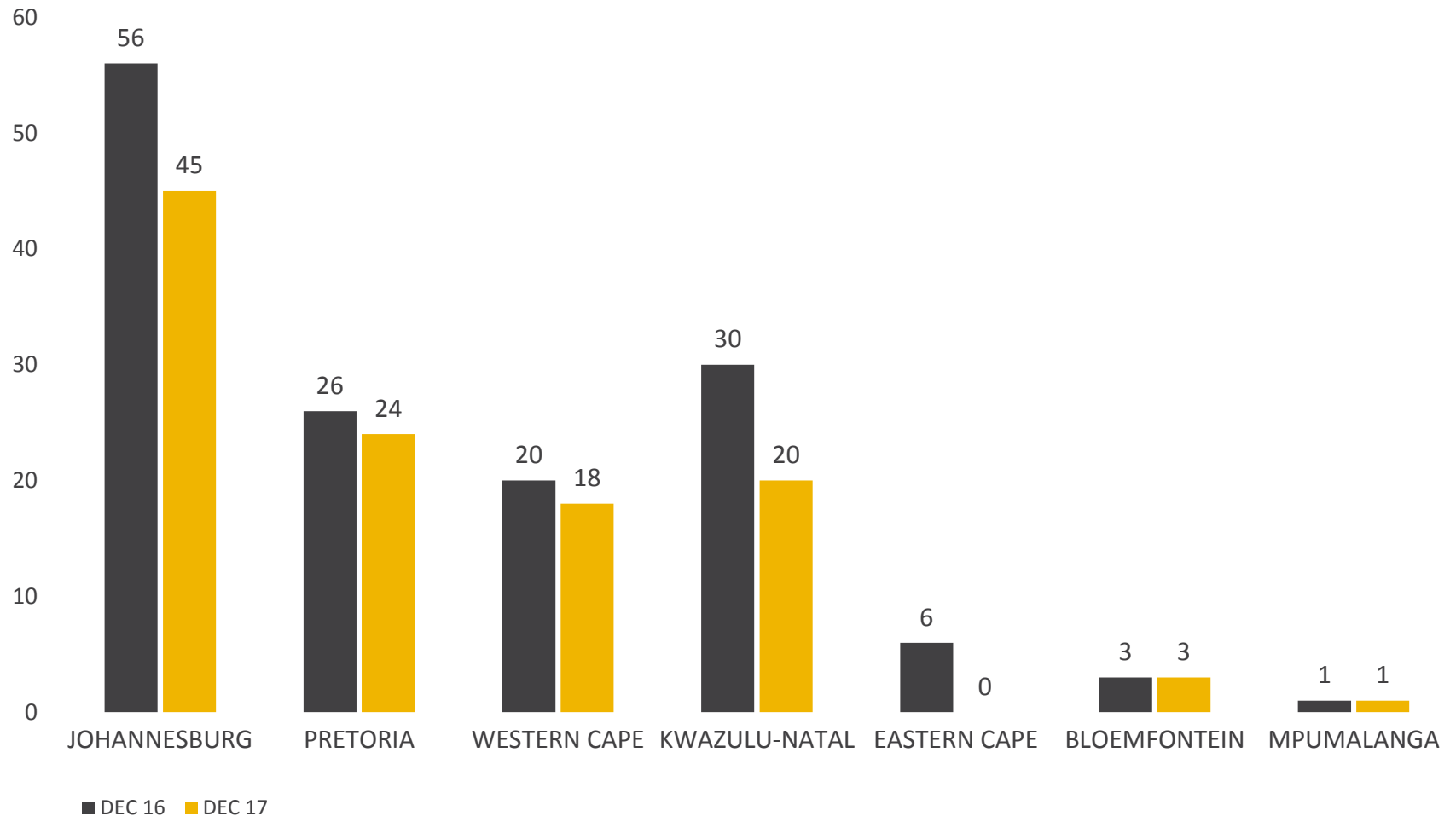
\*\* Calculated as the weighted average based on property value

# Including land

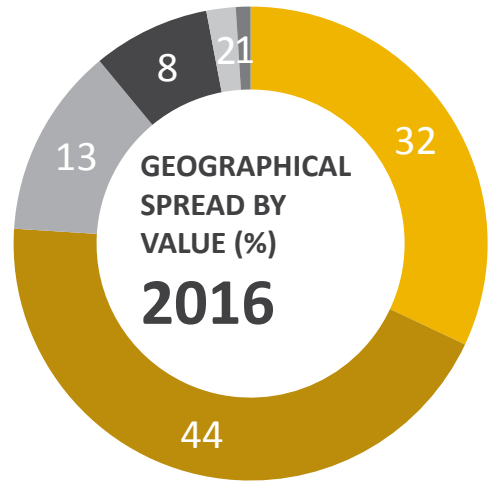
## Excluding land



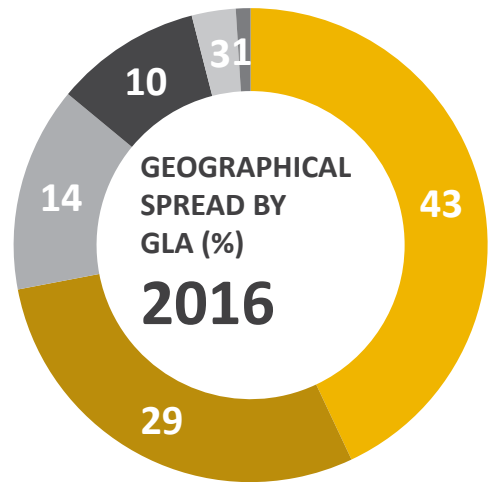
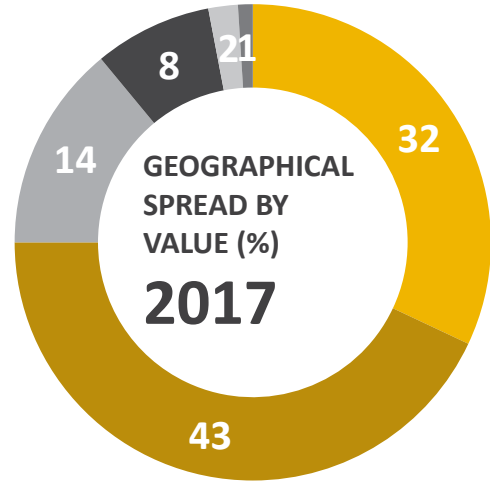
## GEOGRAPHIC SPREAD BY NO. OF BUILDINGS: 2016 vs 2017



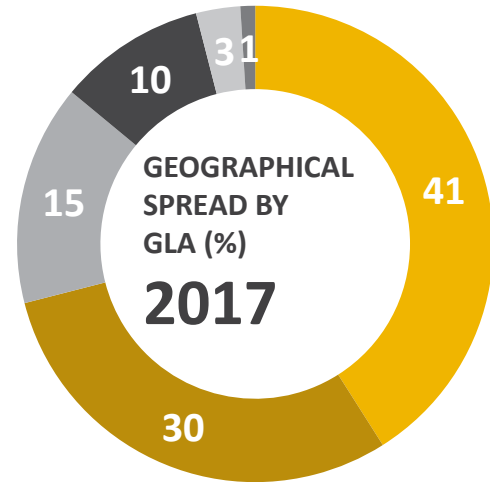
## GEOGRAPHIC SPREAD BY VALUE



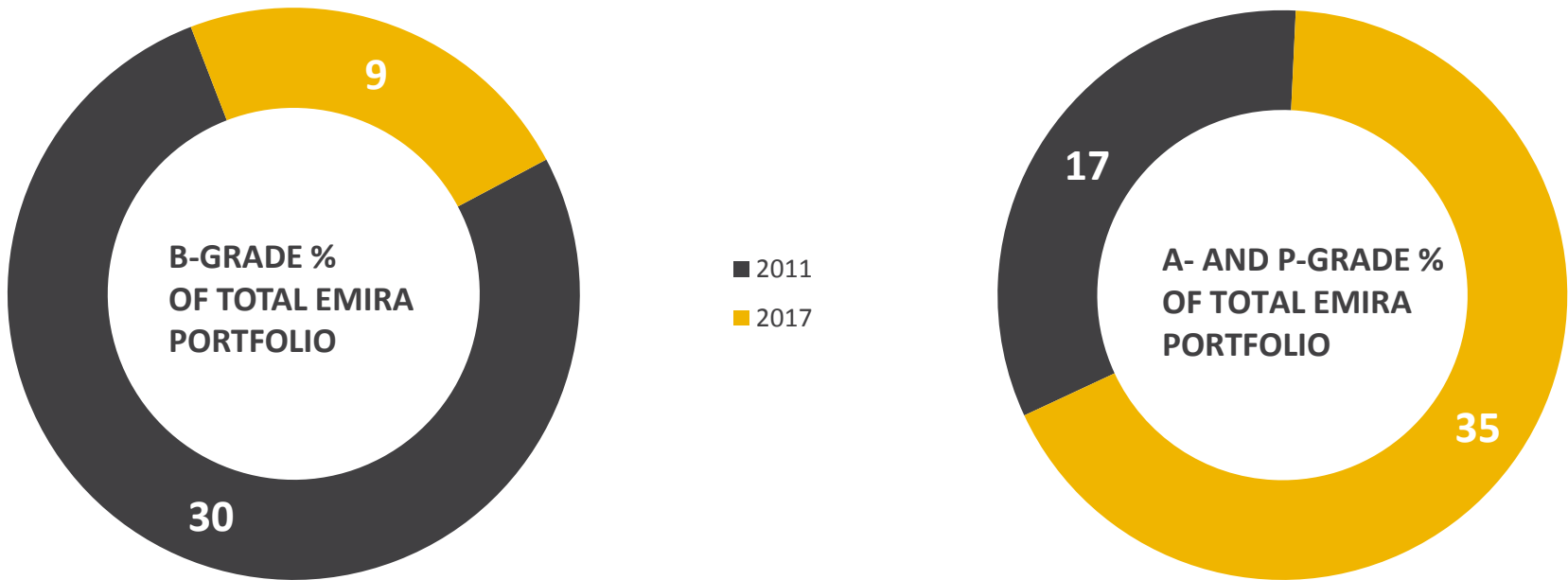
- JOHANNESBURG
- PRETORIA
- WESTERN CAPE
- KWAZULU-NATAL
- BLOEMFONTEIN
- MPUMALANGA



- JOHANNESBURG
- PRETORIA
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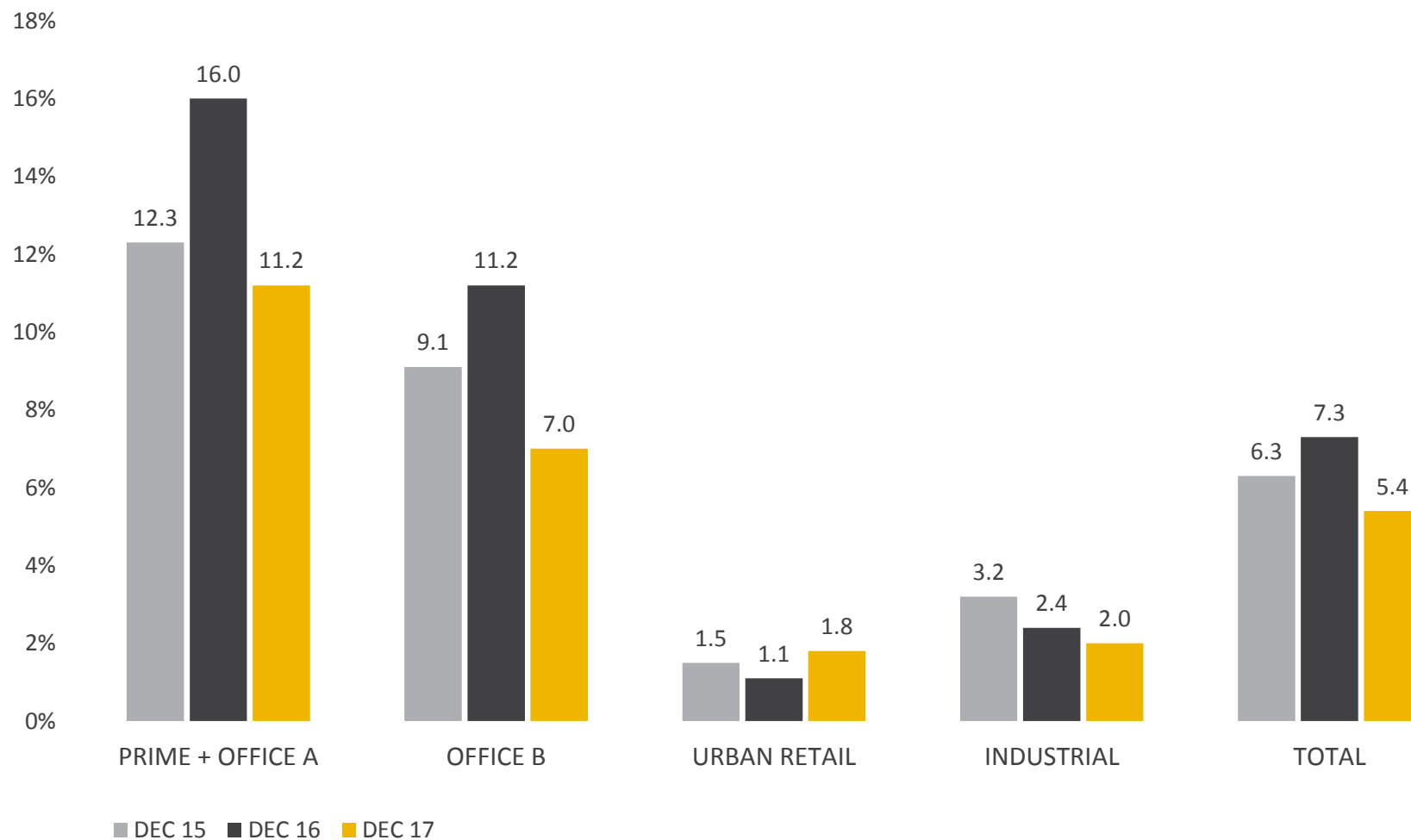


## OFFICE SECTOR EXPOSURE (%)

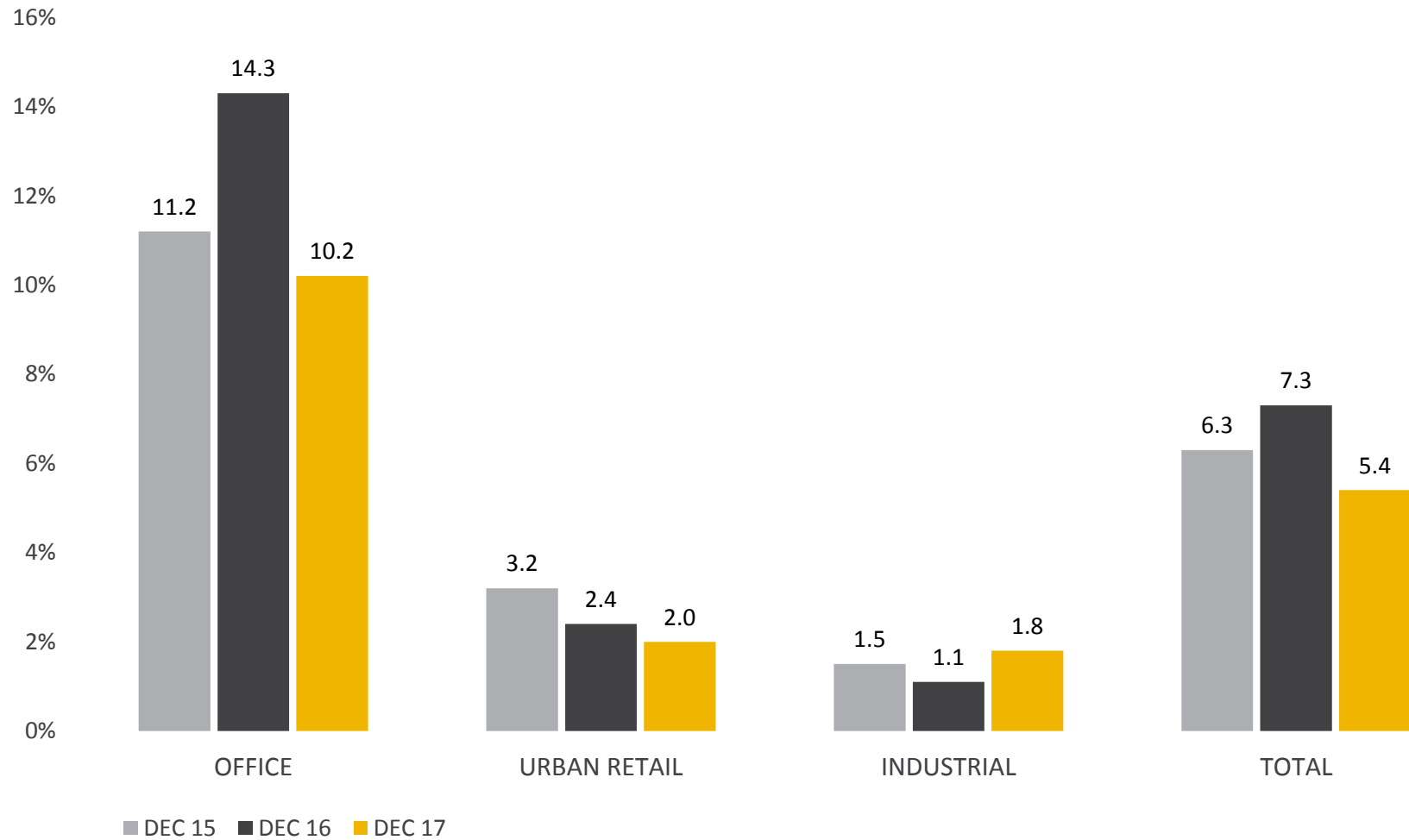


Substantial reduction in B-Grade offices

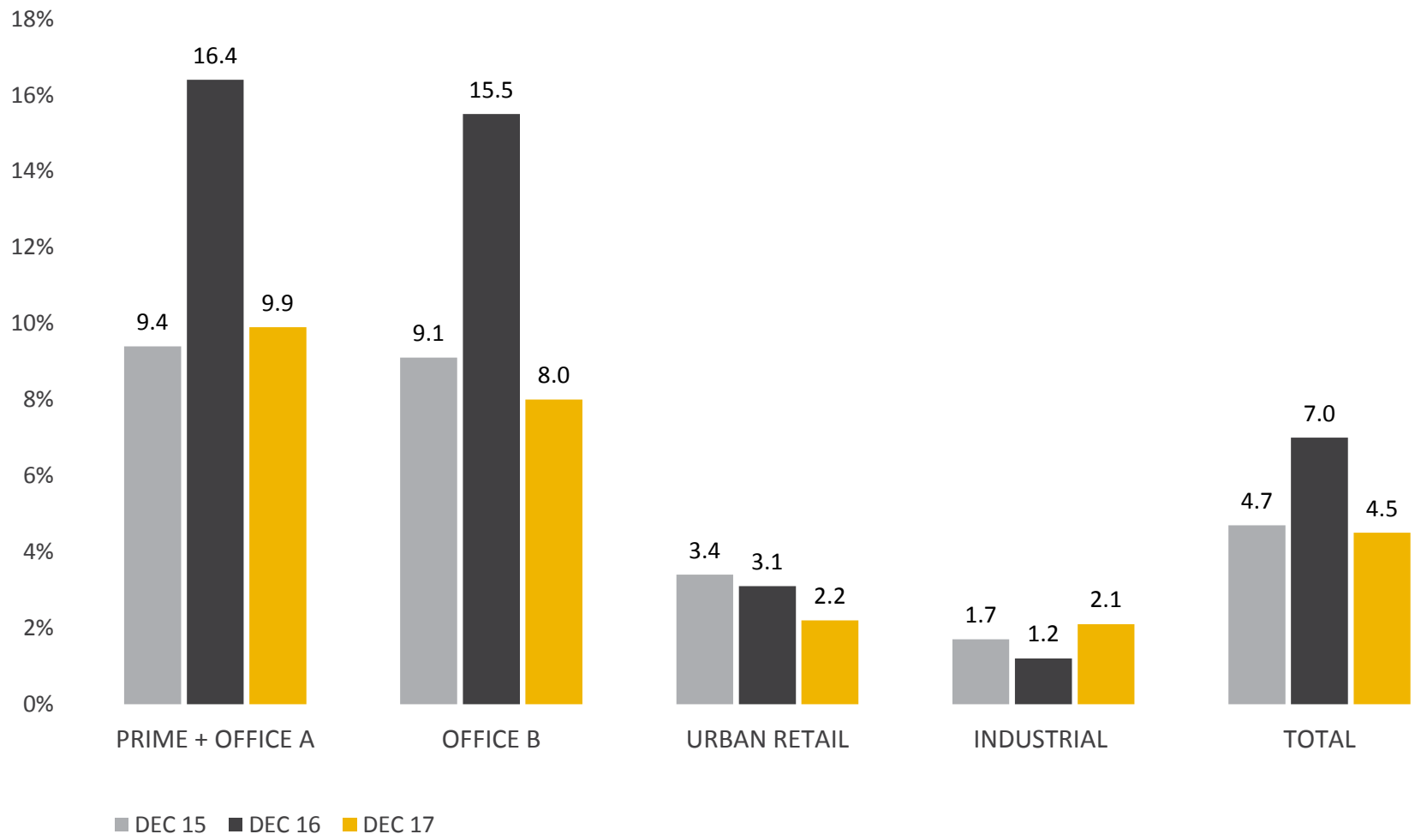
## VACANCY PROFILE BY SECTOR AND GRADE BY GLA (%)













## VALUE OF THE VACANCY BY GROSS RENTAL (%)



## VACANCY BY SECTOR BY GROSS RENTAL AND GRADE (%)













## 10 MAJOR LEASE EXPIRIES BY GLA: 1H18

| PROPERTY                             | TENANT                | LEASE END | GLA (m <sup>2</sup> ) |   | STATUS                              |
|--------------------------------------|-----------------------|-----------|-----------------------|---|-------------------------------------|
| RTT Continental                      | RTT Group             | Dec 17    | 12 921                |    | Renewed – 3 years                   |
| 12 Baker Street and 2 Sturdee Avenue | Sasol                 | Aug 17    | 10 239                |    | Vacated<br>(Residential conversion) |
| Cambridge Park                       | Itec                  | Dec 17    | 5 617                 |    | Renewed – 3 years                   |
| Tuinhof                              | Trans Caledon Tunnel  | Dec 17    | 3 757                 |    | Renewed – 1 year                    |
| Cambridge Park                       | Netflorist            | Oct 17    | 3 423                 |    | Renewed – 1 year                    |
| HBP Commercial Unit                  | Spero Sensors         | Jul 17    | 2 438                 |    | Renewed – 1 year<br>and 6 months    |
| Podium at Menlyn                     | SA Forestry           | Sep 17    | 2 419                 |   | Renewed – 3 years                   |
| Waterside Place                      | Aecom                 | Jul 17    | 2 315                 |  | Renewed – 5 years                   |
| Lincolnwood Office Park              | Altech Radio Holdings | Sep 17    | 2 329                 |  | Renewed – 3 years<br>and 9 months   |
| Wonderpark                           | Cashbuild             | Nov 17    | 2 227                 |  | Renewed – 7 months                  |

47 676 (79% renewed)

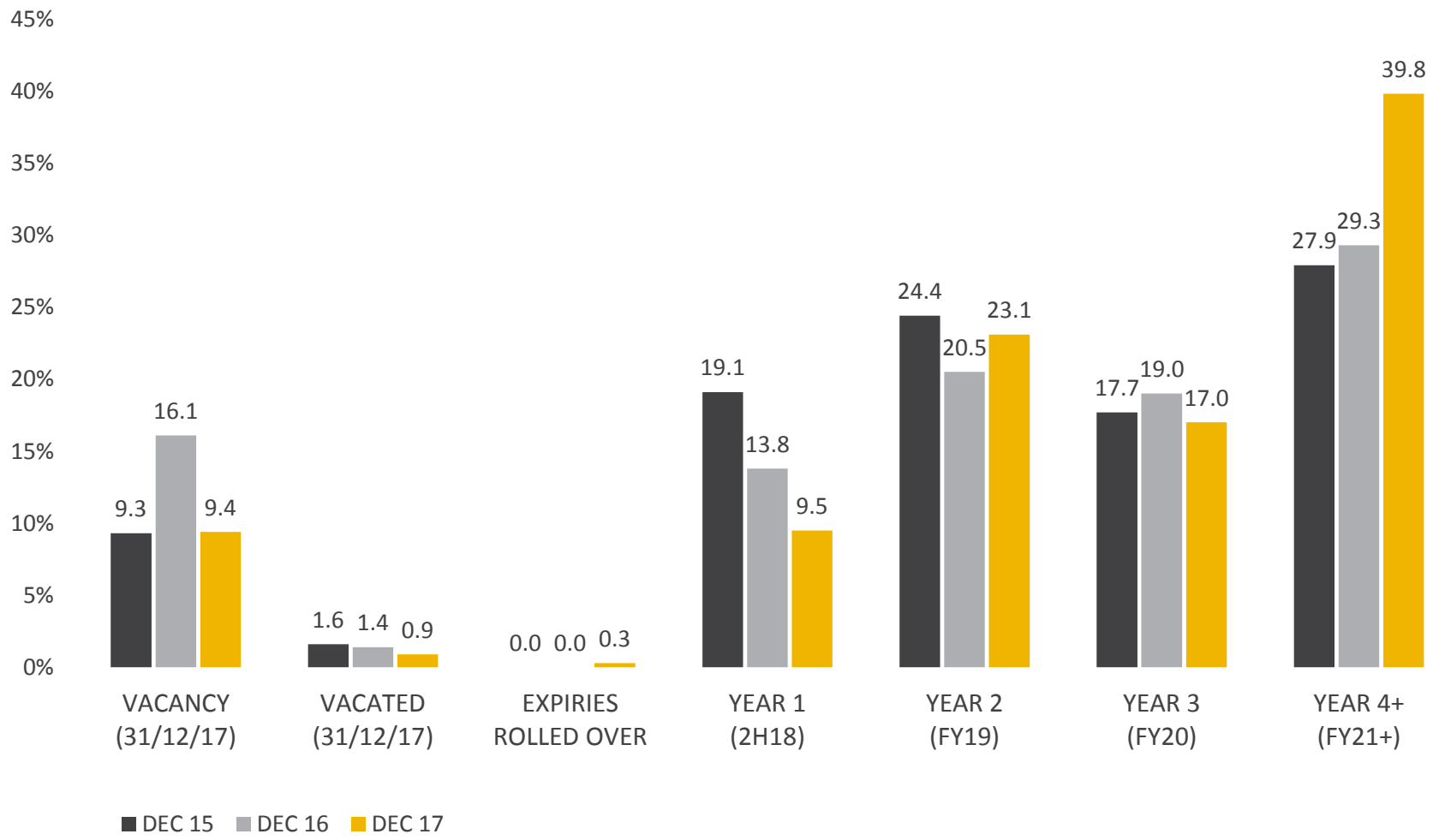
## 10 MAJOR LEASE EXPIRIES BY GLA: 2H18

| PROPERTY           | TENANT                 | LEASE END | GLA (m <sup>2</sup> ) |   | STATUS                            |
|--------------------|------------------------|-----------|-----------------------|---|-----------------------------------|
| Morgan Creek       | Simba                  | May 18    | 4 644                 |    | Negotiating with tenant – 2 years |
| Wonderpark         | Chevron SA             | Jan 18    | 3 342                 |    | Renewed – 10 years                |
| Technohub          | Vodacom                | Mar 18    | 3 342                 |    | Renewed – 1 year                  |
| Kramerville Corner | Griffiths & Griffiths  | Apr 18    | 3 124                 |    | Renewed – 2 years and 8 months    |
| Wonderpark         | Builders Express       | Apr 18    | 2 483                 |    | Renewed – 5 years                 |
| Admiral House      | Automobile Association | Feb 18    | 2 244                 |    | Renewed – 3 years                 |
| Omni Centrum       | Dept of Public Works   | Mar 18    | 2 129                 |    | Month to month lease              |
| Wonderpark         | Cashbuild              | Jun 18    | 2 227                 |  | Expecting to vacate               |
| Randridge Mall     | Woolworths             | May 18    | 2 124                 |  | Negotiating with tenant – 5 years |
| Umgeni Road A      | Ubunye Uniforms        | May 18    | 1 886                 |  | Negotiating with tenant – 3 years |

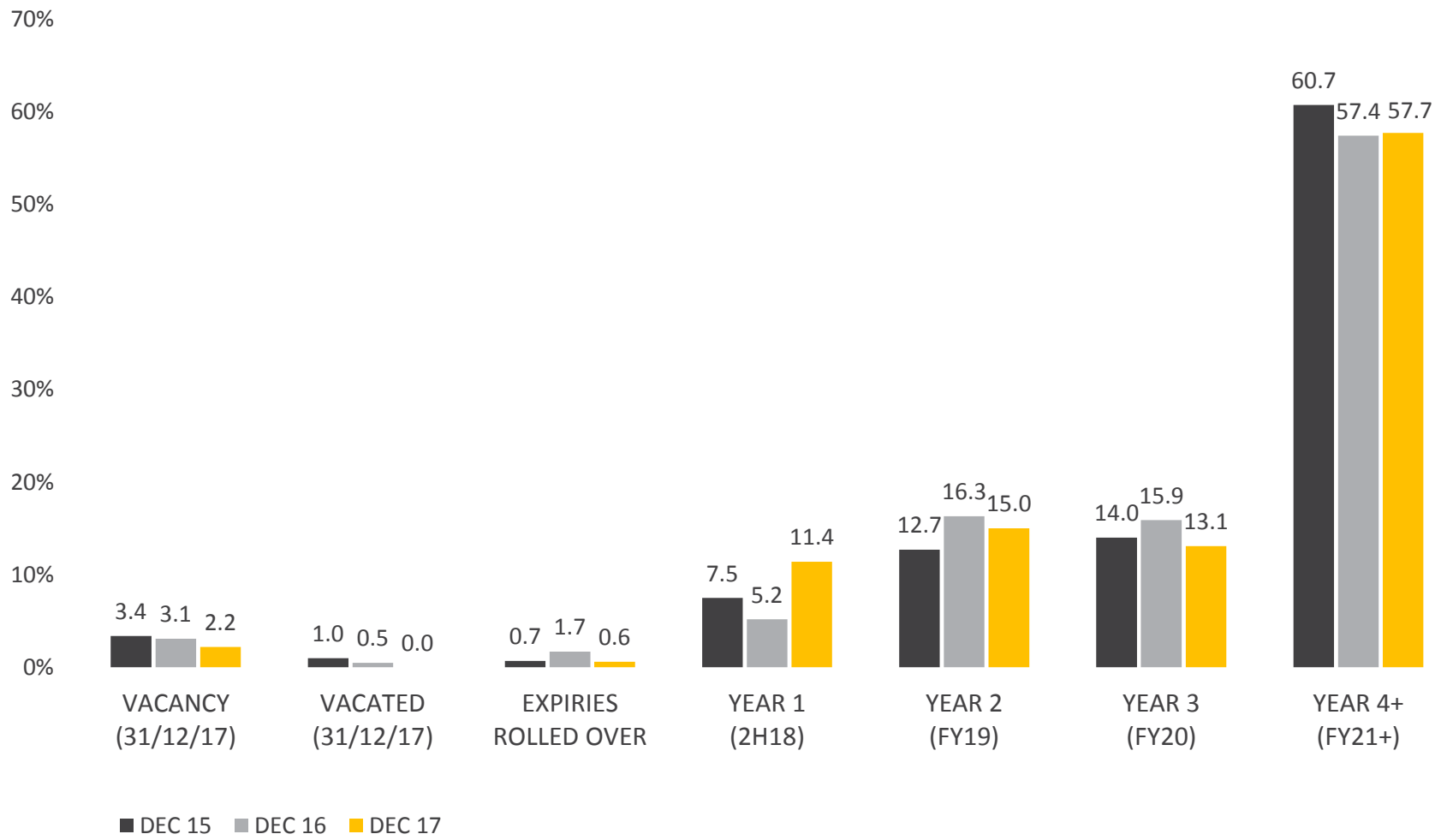
27 665 (61% renewed)



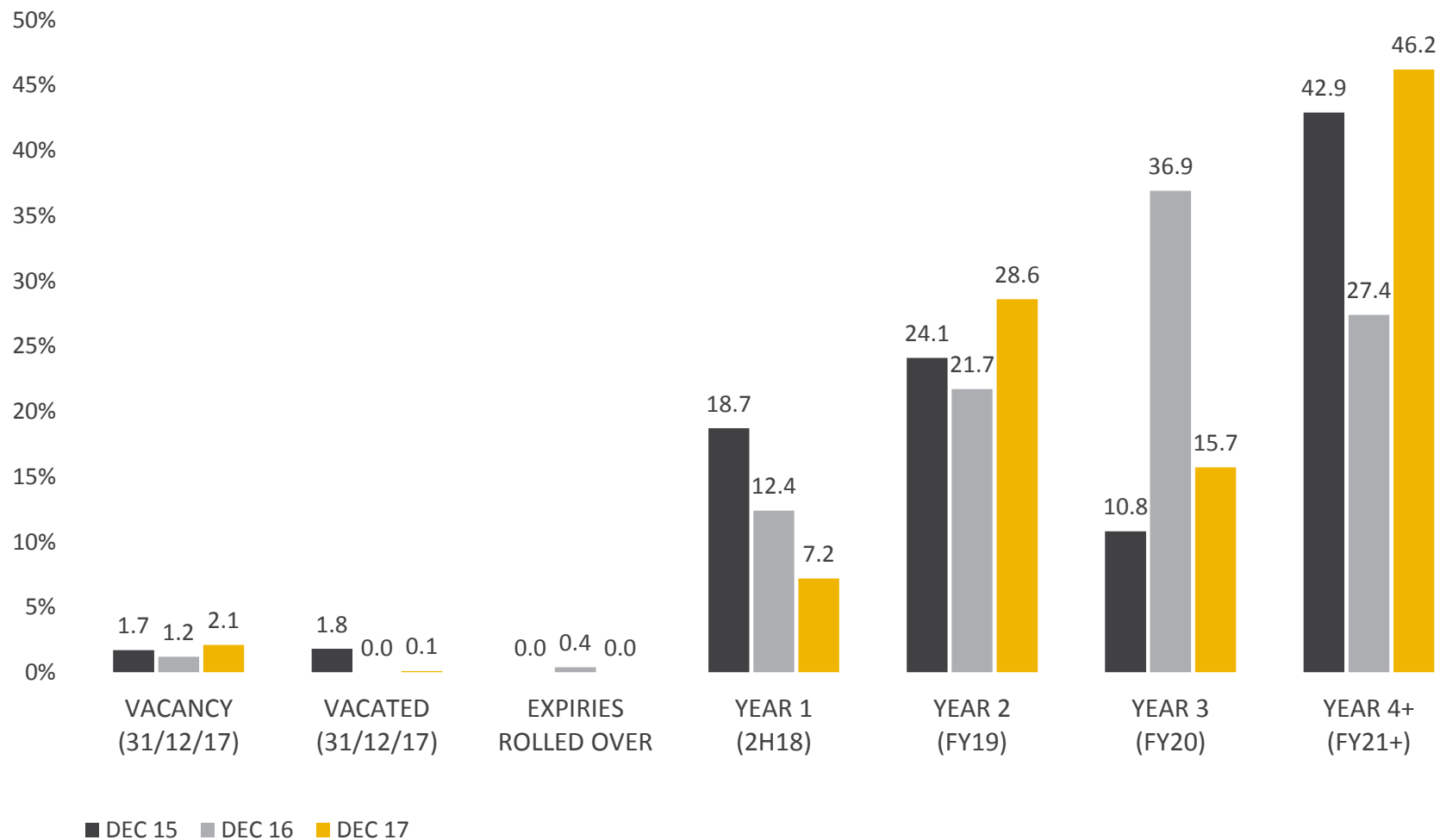
## LEASE EXPIRY PROFILE – OFFICES BY GLA (%)



## LEASE EXPIRY PROFILE – URBAN RETAIL BY GLA (%)



## LEASE EXPIRY PROFILE – INDUSTRIAL BY GLA (%)



## REVERSIONS RENEWALS (GROSS RENTALS)

| SECTOR              | AREA           | AVG.<br>EXPIRY RENTAL | AVG. NEW<br>LEASE RENTAL | INCREASE/<br>DECREASE % |
|---------------------|----------------|-----------------------|--------------------------|-------------------------|
| Office              | 32 321         | 138.08                | 131.24                   | -5.0                    |
| Urban retail        | 26 865         | 161.67                | 162.82                   | 0.7                     |
| Industrial          | 42 821         | 56.54                 | 57.02                    | 0.8                     |
| <b>Total Dec 17</b> | <b>102 007</b> | <b>110.13</b>         | <b>108.40</b>            | <b>-1.6</b>             |
| <b>Total Dec 16</b> | <b>115 267</b> | <b>74.68</b>          | <b>75.38</b>             | <b>0.9</b>              |
| <b>Total Dec 15</b> | <b>113 359</b> | <b>108.21</b>         | <b>107.92</b>            | <b>-0.3</b>             |

## REVERSIONS NEW LEASES (GROSS RENTALS)

| SECTOR              | AREA          | AVG.<br>EXPIRY RENTAL | AVG. NEW<br>LEASE RENTAL | INCREASE/<br>DECREASE % |
|---------------------|---------------|-----------------------|--------------------------|-------------------------|
| Office              | 9 287         | 130.40                | 123.35                   | -5.4                    |
| Urban retail        | 5 961         | 159.14                | 146.59                   | -7.9                    |
| Industrial          | 21 306        | 48.05                 | 45.40                    | -5.5                    |
| <b>Total Dec 17</b> | <b>36 555</b> | <b>87.86</b>          | <b>81.71</b>             | <b>-7.0</b>             |
| <b>Total Dec 16</b> | <b>29 829</b> | <b>113.50</b>         | <b>98.66</b>             | <b>-13.1</b>            |
| <b>Total Dec 15</b> | <b>27 769</b> | <b>95.85</b>          | <b>96.31</b>             | <b>0.5</b>              |

## PROPERTIES EXCLUDED FROM LIKE-FOR-LIKE

The following are excluded from FY18 numbers:

### Purchases

- › Summit Place (A, C, D, E1, E2, E3, E4 and G1), 1 West land, Discovery land, Quagga land

### Disposals

- › Brandwag & Kosmos flats, 1289 Heuwel Avenue, 284 Oak Avenue, Southern Life Plaza, Cochrane Avenue, Sturdee House, Midrand Motor City, Waterkloof House, Brooklyn Gardens, Brooklyn Forum, 16 Jan Smuts, 500 Smuts, The Avenues North, Tokai Shopping Centre, Convention House, 4 Kikuyu, Harbour Place, Assegai Place-Kraaifontein, 1 Kikuyu, Riverworld Park

### Refurbishments

- › Knightsbridge Manor, 80 Strand Street

### Developments (In Progress)

- › New Knightsbridge, 12 Baker Street, 2 Sturdee Avenue

### Enyuka

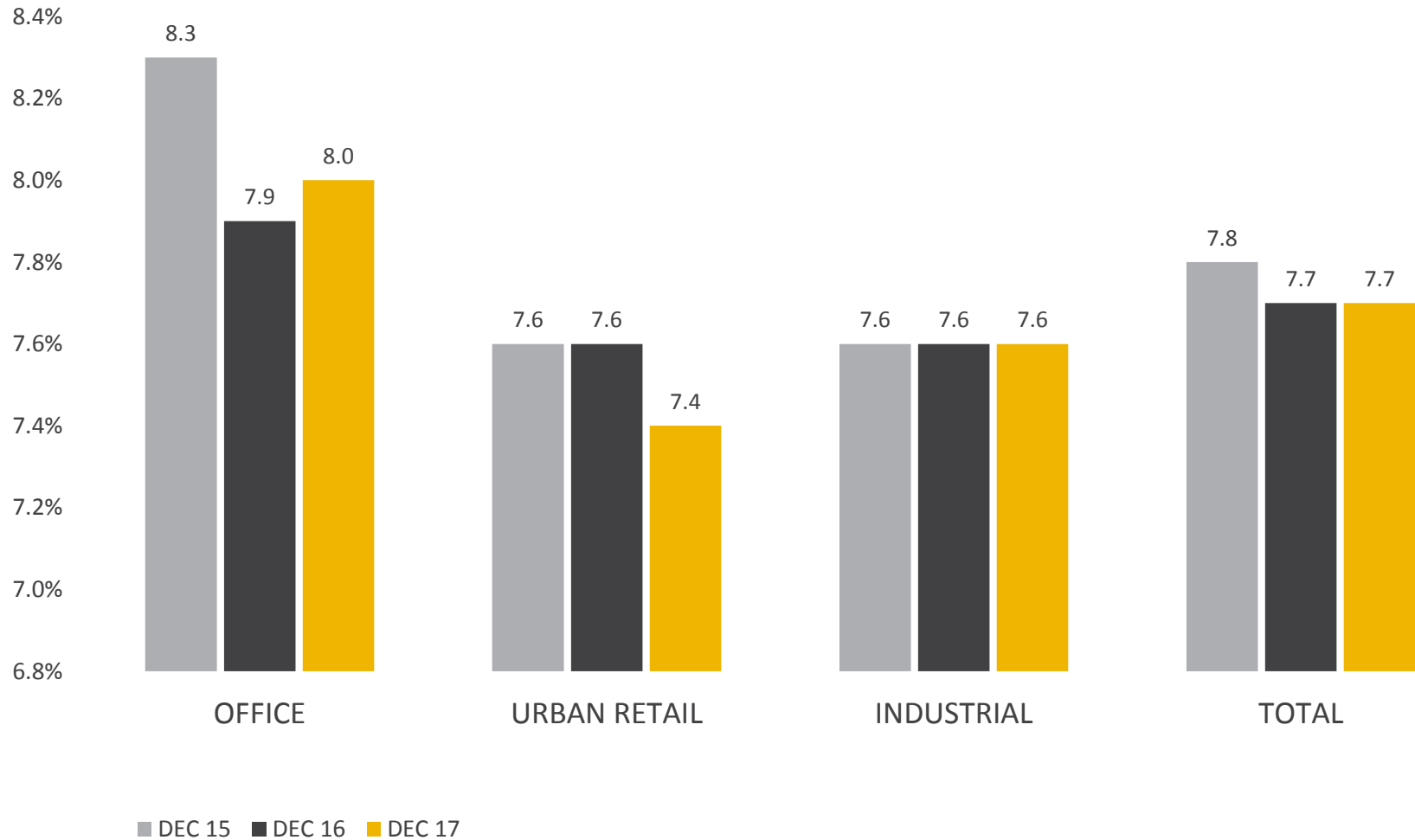
- › Bizana Shopping Centre, Central Square Idutywa, Cofimvaba Shopping Centre, Dundee Boulevard, Flagstaff Shopping Centre, Greytown Centre, Ingwavuma Shopping Centre, Kokstad Main, Kokstad Shopping Centre, Matatiele Centre, Nongoma Centre, Nqutu, Old Acre Plaza, Tin Roof, Umzimkulu Centre

## LEASES CONCLUDED: EMIRA PORTFOLIO (1H18)

|                          | NEW    | RENEWAL | TOTAL   |
|--------------------------|--------|---------|---------|
| Number of leases         | 155    | 199     | 354     |
| Total m <sup>2</sup>     | 61 884 | 96 753  | 158 637 |
| Average duration (years) | 3.0    | 2.8     | 2.9     |
| Leave value (Rm)         | 531.8  | 444.4   | 976.2   |

The weighted average duration for the total portfolio is 3.0 years (2.7 years Jun 17).

## ESCALATIONS (%)





## EMIRA NET RENTALS (excl. parking stores and vacancies)

| SECTOR              | NO. OF BUILDINGS | OCCUPIED GLA (m <sup>2</sup> ) | AVG. NET RENTAL (R/m <sup>2</sup> ) |
|---------------------|------------------|--------------------------------|-------------------------------------|
| Office: P-Grade     | 5                | 59 481                         | 158.41                              |
| Office: A-Grade     | 26               | 148 001                        | 127.21                              |
| Office: B-Grade     | 15               | 88 542                         | 100.34                              |
| Urban retail        | 22               | 320 545                        | 132.98                              |
| Industrial          | 43               | 350 634                        | 52.01                               |
| <b>Total Dec 17</b> | <b>111</b>       | <b>967 204</b>                 | <b>101.32</b>                       |
| <b>Total Dec 16</b> | <b>127</b>       | <b>997 106</b>                 | <b>94.77</b>                        |
| <b>Total Dec 15</b> | <b>131</b>       | <b>1 040 821</b>               | <b>93.63</b>                        |

## 10 MAJOR LEASE EXPIRIES BY GLA: FY19

| PROPERTY                     | TENANT                 | LEASE END | GLA (m <sup>2</sup> ) |   | STATUS              |
|------------------------------|------------------------|-----------|-----------------------|---|---------------------|
| Defy                         | Defy                   | Sep 18    | 10 100                |    | Expecting to renew  |
| Trellidor                    | Trellidor              | Sep 18    | 7 794                 |    | Expecting to renew  |
| 14-16 Boston Circle          | Bidvest Data           | Jun 19    | 7 533                 |    | Expecting to renew  |
| Quagga Centre                | Shoprite Checkers      | Nov 18    | 5 715                 |    | Renewed             |
| 7 Naivasha                   | Group M                | Apr 19    | 4 673                 |    | Expecting to renew  |
| Cambridge                    | Netflorist             | Nov 18    | 4 551                 |    | Expecting to vacate |
| Fosa Park                    | Co-Lab Industries      | Apr 19    | 4 200                 |    | Expecting to renew  |
| Steelpark Industrial Park    | EasyLife Kitchens      | Jan 19    | 3 944                 |  | Expecting to renew  |
| Tuinhof                      | Trans Caledon Tunnel   | Dec 18    | 3 757                 |  | Expecting to renew  |
| Umgeni Road B – 23 Intersite | Sinclairs Panelbeaters | Nov 18    | 3 600                 |  | Expecting to vacate |

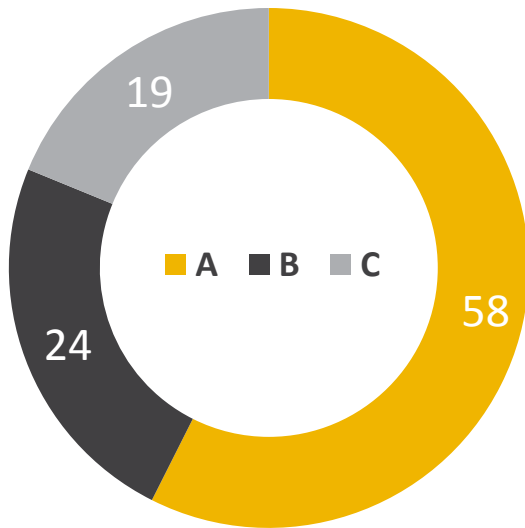
55 867 (85% renewed)

## FY19: MAJOR VACANCIES ANTICIPATED BY GLA ( $\pm 1\,000\text{m}^2$ )

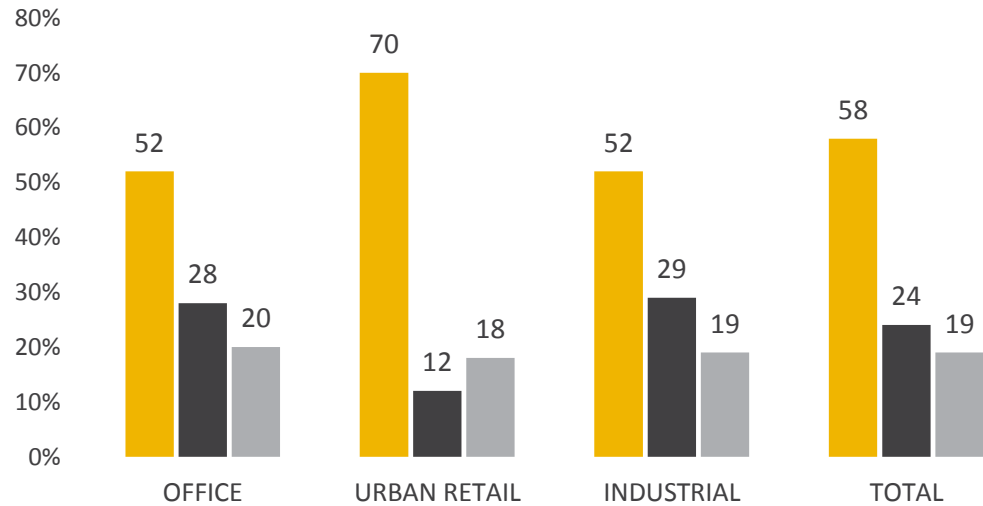
| PROPERTY                                  | EX-TENANT                   | GLA (m <sup>2</sup> ) | FROM WHEN | UPDATE                          |
|---|-----------------------------|-----------------------|-----------|---------------------------------|
| Cambridge Park                            | Netflorist                  | 4 551                 | Nov 18    | Require bigger facility         |
| Umgeni Road B – 23 Intersite              | Sinclairs Panelbeaters      | 3 600                 | Mar 19    | Legal                           |
| Johnson & Johnson                         | Johnson & Johnson           | 3 472                 | Dec 18    | Consolidating into own building |
| HBP Commercial Units                      | Spero Sensors & Instruments | 2 428                 | Feb 19    | Require bigger facility         |
| Midrand (cnr Douglas & Old Pretoria Road) | V-Tech                      | 2 532                 | Mar 19    | Downsizing                      |
| HBP Industrial Units                      | Ceramic World               | 1 616                 | Apr 19    | Require bigger facility         |
| Podium at Menlyn                          | Hatch Goba                  | 1 812                 | Apr 19    | Consolidating into own building |
| Admiral House                             | Bakali Foodstuffs           | 1 036                 | Apr 19    | Considering buying own building |
|   |                             | <b>21 047</b>         |           |                                 |

## TENANT GRADING BY GLA

TOTAL PORTFOLIO (%)



PER SECTOR (%)



### GRADING

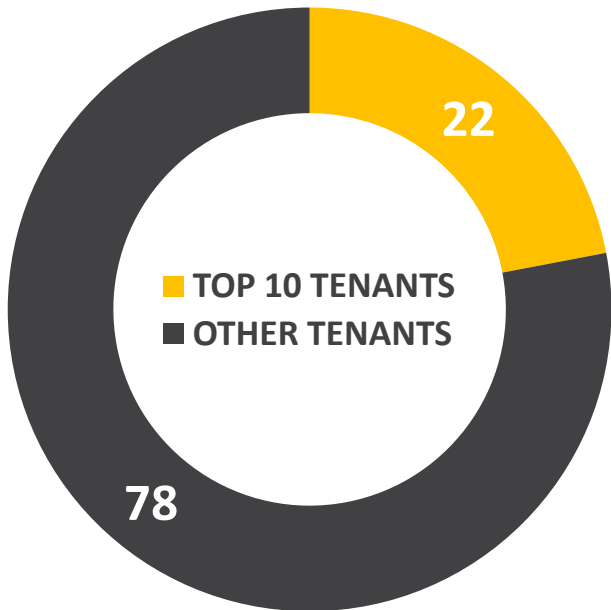
“A” Large national tenants, large listed tenants, government and major franchisees

“B” National tenants, listed tenants, franchisees, large regional tenants, medium to large professional firms

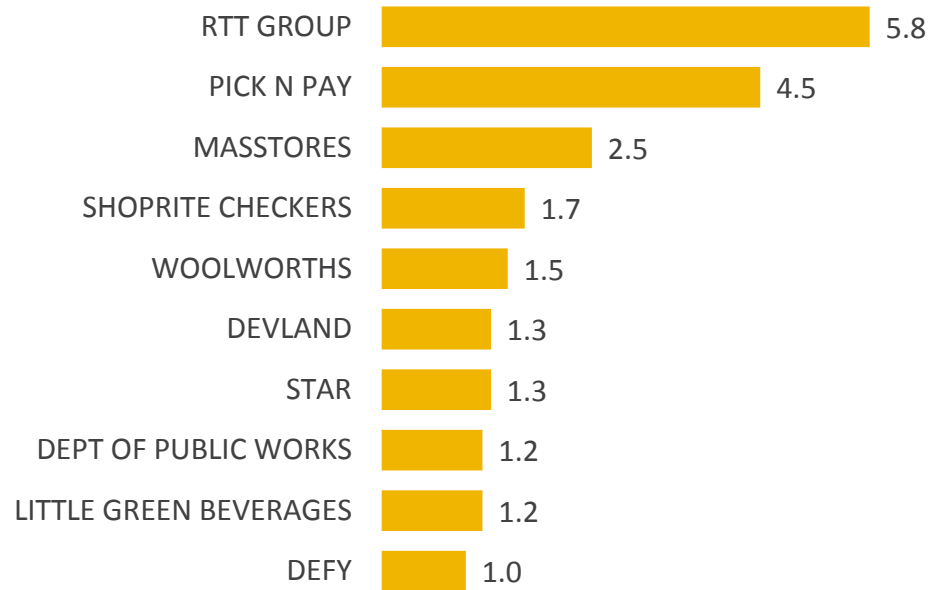
“C” Other

## TENANT EXPOSURE BY GLA

TOP 10 TENANTS OF THE TOTAL PORTFOLIO (%)

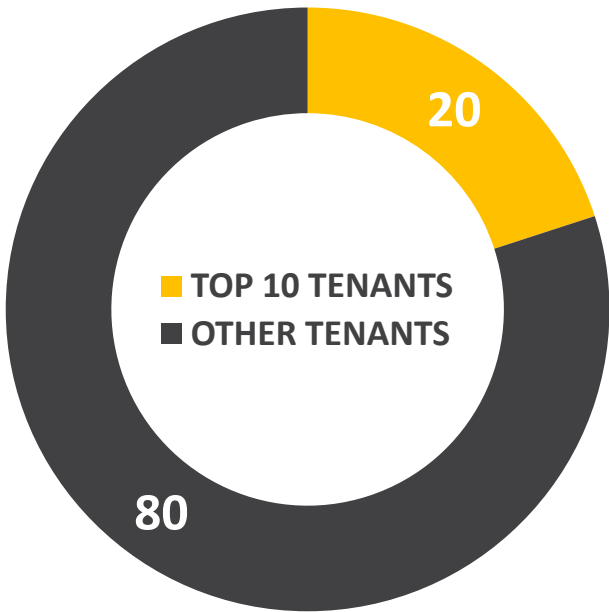


TOP 10 TENANTS (%) SPLIT OF THE TOTAL PORTFOLIO

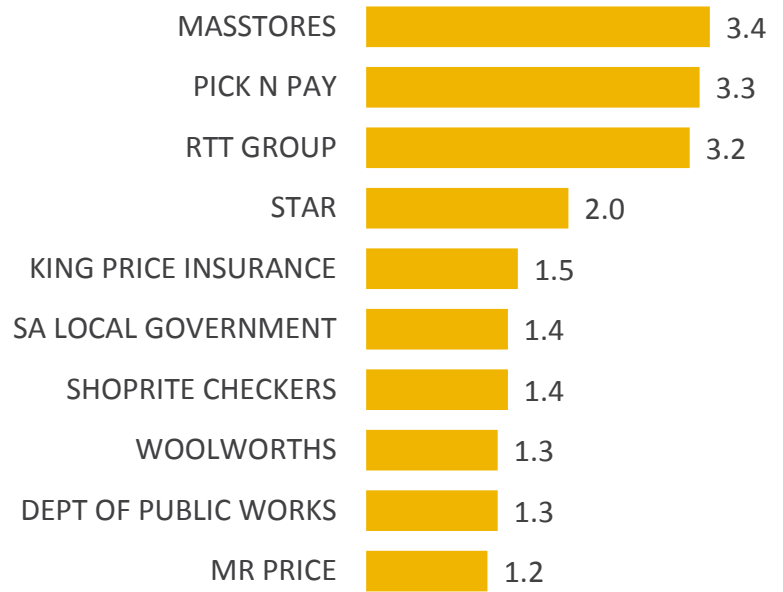


## TENANT EXPOSURE BY GROSS RENTAL

TOP 10 TENANTS OF THE TOTAL PORTFOLIO (%)



TENANT EXPOSURE – TOP 10 TENANTS (%)



## POTENTIAL NEW CAPEX PROJECTS – NOT COMMITTED

| MAJOR PROJECTS<br>BEING CONSIDERED | TYPE                           | m <sup>2</sup> | VALUE<br>(R)       | CONSTRUCTION<br>TIME |
|------------------------------------|--------------------------------|----------------|--------------------|----------------------|
| 1 West                             | Parking space/future mixed use | 3 430          | 850 000            | 2 months             |
| 267 West                           | Parking space                  | 3 702          | 18 000 000         | 8 months             |
| Quagga Centre – Extension          | Urban retail                   | 3 828          | 72 467 424         | 12 months            |
| Quagga Centre                      | Urban retail                   | 4 952          | 200 000 000        | 20 months            |
| Southern Centre                    | Urban retail                   | –              | 35 000 000         | 10 months            |
| The Heights                        | Mixed use                      | 3 000          | 45 000 000         | 10 months            |
| Tramshed                           | Urban retail                   | 12 096         | 41 359 411         | 14 months            |
| Wonderpark Extension 2             | Urban retail                   | 10 000         | 260 000 000        | 22 months            |
| <b>Total</b>                       |                                | <b>37 578</b>  | <b>671 826 835</b> |                      |

## SUSTAINABILITY PLANNING



### GREEN BUILDINGS

- › Knightsbridge 4-star GBCSA ratings certifications achieved

### WATER EFFICIENCY

- › 22 400kl recorded water savings to date in 18 Gauteng buildings
- › Cape Town actions implemented
  - › Water savings and rainwater harvesting approved
  - › Reduce water pressure and flush times
  - › Dual flush toilets
  - › Hand sanitisers
  - › Replaced evaporative central aircon systems

### CLEAN ENERGY PRODUCTION

- › 1.0 GWh of clean electricity generated to November 2017 with a total electrical savings of 3 034 kVA at Randridge Mall
  - › 1 000tCO<sub>2</sub>e saved
  - › 2GWh forecast generation in the first year
- › Third Solar Farm project completed at Mitchells Plain

### CARBON FOOTPRINT REPORTING

- › New online Eco business intelligence dashboard created and active
  - › Real time raw consumption data analysis – emissions and intensity
  - › Monitoring of electrical and water consumption fluctuations
  - › New waste target set, with waste data collection, analysis and monitoring done through portal
  - › Reduction targets monitored



## DISPOSALS

| PROPERTY                     | LOCATION     | SECTOR     | GLA<br>(m <sup>2</sup> ) | BOOK VALUE<br>(Rm) | SALE<br>PRICE<br>(Rm) | EXIT YIELD<br>(%) | EFFECTIVE<br>DATE |
|------------------------------|--------------|------------|--------------------------|--------------------|-----------------------|-------------------|-------------------|
| Convention House             | Durban       | Office     | 6 249                    | 45.0               | 44.0                  | 11.7              | Oct 17            |
| 4 Kikuyu Road                | Johannesburg | Office     | 4 608                    | 27.2               | 28.0                  | 6.9               | Oct 17            |
| Harbour Place                | Cape Town    | Office     | 5 015                    | 52.0               | 90.0                  | 6.9               | Nov 17            |
| Assegai Place – Kraaifontein | Cape Town    | Industrial | 2 877                    | 21.6               | 20.0                  | 10.8              | Dec 17            |
| 1 Kikuyu Road                | Johannesburg | Office     | 7 383                    | 37.0               | 31.0                  | 0 – Vacant        | Dec 17            |
| Riverworld Park              | Johannesburg | Office     | 5 079                    | 23.2               | 23.5                  | 10.8              | Dec 17            |
| <b>Total</b>                 |              |            | <b>31 211</b>            | <b>206.0</b>       | <b>236.5</b>          | <b>7.6</b>        |                   |

## TOP TEN PROPERTIES BY VALUE

| PROPERTY                   | NODE           | CLASSIFICATION                | GLA (m <sup>2</sup> ) | MAJOR TENANTS  |
|----------------------------|----------------|-------------------------------|-----------------------|--|
| Wonderpark Shopping Centre | Pretoria North | Regional S/centre             | 90 882                | Pick n Pay (12 867m <sup>2</sup> ), Game (5 292m <sup>2</sup> ), Woolworths (4 642m <sup>2</sup> ), Edgars (3 998m <sup>2</sup> ), Checkers (3 981m <sup>2</sup> ), Virgin Active (3 508m <sup>2</sup> ), Caltex (3 461m <sup>2</sup> )            |
| Menlyn Corporate Park      | Menlyn         | Offices                       | 26 659                | King Price Insurance (8 948m <sup>2</sup> ), SALGA (7 025m <sup>2</sup> ), Santam (4 524m <sup>2</sup> ), BVI Engineering (1 533m <sup>2</sup> )   |
| Quagga Centre              | Pretoria West  | Small regional S/centre       | 29 409                | Shoprite (5 715m <sup>2</sup> ), Pick n Pay (4 878m <sup>2</sup> ), Woolworths (1 807m <sup>2</sup> ), FNB (1 367m <sup>2</sup> ), Edgars (1 065m <sup>2</sup> )   |
| Summit Place               | Menlyn         | Mixed use (office and retail) | 14 592                | Assupol Life (3 601m <sup>2</sup> ), Kempster Sedgwick (2 484m <sup>2</sup> ), Sizwe Ntsaluba Gobodo (2 402m <sup>2</sup> ), Planet Fitness (1 469m <sup>2</sup> ), Grant Thornton (539m <sup>2</sup> )  |
| Knightsbridge              | Bryanston      | Offices                       | 12 385                | WSP Group (5 829m <sup>2</sup> ), Gold One Management (1 122m <sup>2</sup> ), Odyssey Capital (725m <sup>2</sup> ), Emira (725m <sup>2</sup> )   |
| Makro Selby                | Selby          | Community S/centre            | 19 705                | Makro (19 705m <sup>2</sup> )  |
| Randridge Mall             | Randpark Ridge | Community S/centre            | 22 447                | Pick n Pay (4 473m <sup>2</sup> ), Woolworths (2 124m <sup>2</sup> ), Dis-Chem (2 035m <sup>2</sup> ), Health-Worx medical centres (697m <sup>2</sup> ), FNB (615m <sup>2</sup> ), Foschini (594m <sup>2</sup> ), Mr Price (581m <sup>2</sup> )    |
| RTT Acsa Park              | East Rand      | Industrial (warehouse)        | 46 673                | RTT Group (46 673m <sup>2</sup> )  |
| Corobay Corner             | Menlyn         | Offices                       | 13 865                | Council for the Built Environment (2 236m <sup>2</sup> ), Royal Energy Management (1 233m <sup>2</sup> ), Christinme International (995m <sup>2</sup> ), X-DSL Networking Solutions (863m <sup>2</sup> ), Eris Property Group (803m <sup>2</sup> ) |
| Hyde Park Lane             | Hyde Park      | Offices                       | 15 539                | Standard Bank (1 722m <sup>2</sup> ), DTH Service (1 616m <sup>2</sup> ), Bowden & Company (650m <sup>2</sup> ), Truffle Asset Management (595m <sup>2</sup> ), Deutsche Lufthansa Group (489m <sup>2</sup> )                                      |
|                            |                |                               | <b>291 188</b>        | <b>43% of the portfolio by value</b>   |

## ENYUKA

|   | DEC 2016 | DEC 2017 |
|---|----------|----------|
| Number of properties                    | 15       | 21       |
| Property portfolio value                | R584m    | R901m    |
| Average value per m <sup>2</sup>        | R7 305   | R8 428   |
| Average value per property              | R39m     | R43m     |
| LTV (excluding shareholder loans)       | 0%       | 24.4%    |
| Vacancy profile by GLA                  | 5.5%     | 3.8%     |
| Tenant retention                        |          |          |
| % of GLA                                | 97.6%    | 70.3%    |
| % of Number of leases                   | 86.7%    | 65.2%    |
| % of Gross rentals                      | 96.8%    | 70.1%    |
| Rent reversions – total (gross rentals) | 5.5%     | 0.7%     |
| Like-for-like growth in net income      | -0.1%    | 4.8%     |
| Escalations                             | 7.4%     | 7.5%     |