



UNAUDITED GROUP RESULTS
for the six months ended 30 September 2013

Agenda

- Highlights Laurence Rapp
- Financial performance Mike Potts
- Property portfolio performance and overview Ina Lopion
- Overview of Empowerment Transaction Laurence Rapp
- Transformation Strategy Laurence Rapp
- Review of Sovereign Tenant Portfolio Sedise Moseneke
- Prospects and plans Laurence Rapp
- Acknowledgements Laurence Rapp
- Questions Team



Highlights

LAURENCE RAPP

Highlights

- Growth in normalised distribution of 5% to 54.81 cpu off a base of 52.20 cpu
- Successful completion of one of the most significant empowerment transactions in the listed property sector
- Successful re-launch of the revamped Randburg Square Shopping Centre
- Continued strong operational performance of the property portfolio
- Improved portfolio composition:
 - Acquired 50% of East Rand Mall for R1.1 billion
 - Acquired 100% of Hammarsdale Junction for R194 million
 - Acquired R1.04 billion Sovereign Tenant Portfolio from Encha
 - Realised R287 million on sales of higher risk properties
- Better quality, lower risk portfolio
- Special (non-recurring income) distribution of 13.83 cpu

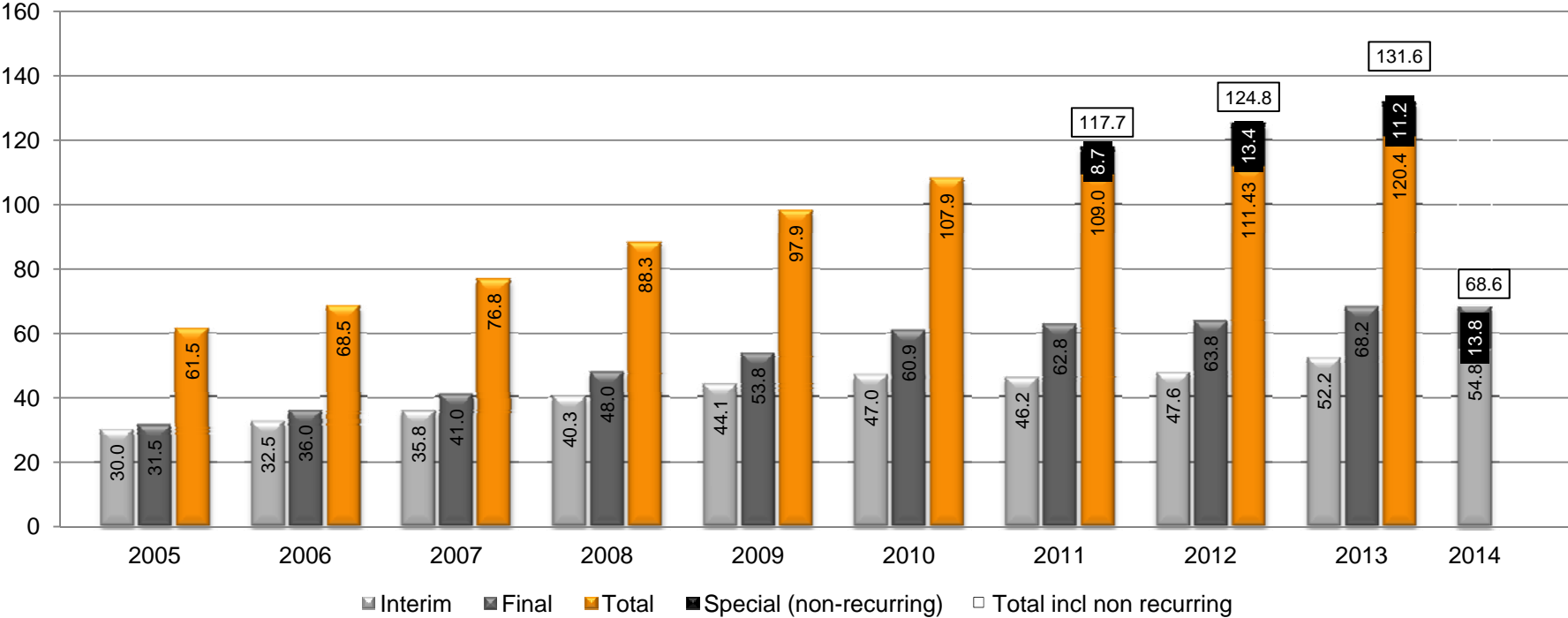


Financial performance

MIKE POTTS

Distribution history

Cents per linked unit



Growth in distribution

	March 2012	March 2013	% growth	September 2012	September 2013	% growth
Normalised distribution per linked unit (cents)	111.43	120.44	8.1%	52.20	54.81	5.0%
Special/non-recurring distribution per linked unit (cents)	13.38	11.15	-16.7%	4.83	13.83	186.3%
Total distribution per linked unit (cents)	124.81	131.59	5.4%	57.03	68.64	20.4%

Simplified income statement

	Sept 2013 Rm	Sept 2012 Rm	% Variance
Group net rental income	406.9	346.0	17.6
Sales commission – asset management business	67.0	43.8	53.0
Asset management fees	11.5	15.9	(27.7)
Asset management expenditure	(19.6)	(14.4)	36.1
Net finance costs	(98.4)	(92.3)	6.6
Corporate administration costs	(17.5)	(14.5)	20.7
Taxation	(6.1)	(16.0)	(61.9)
Available for distribution	343.8	268.5	28.0

Simplified income statement (cont.)

% increase in group net rental income 17.6%

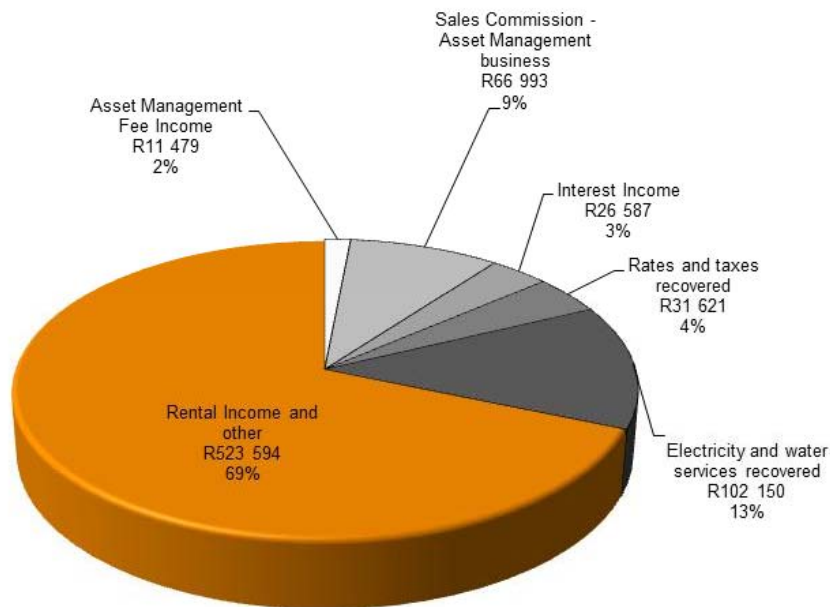
Made up as follows:

- Like-for-like (stable) portfolio 8.1%
 - New property acquisitions contributed 16.7%
 - Less: Sales of non-core properties (7.2%)⁽¹⁾
- 17.6%

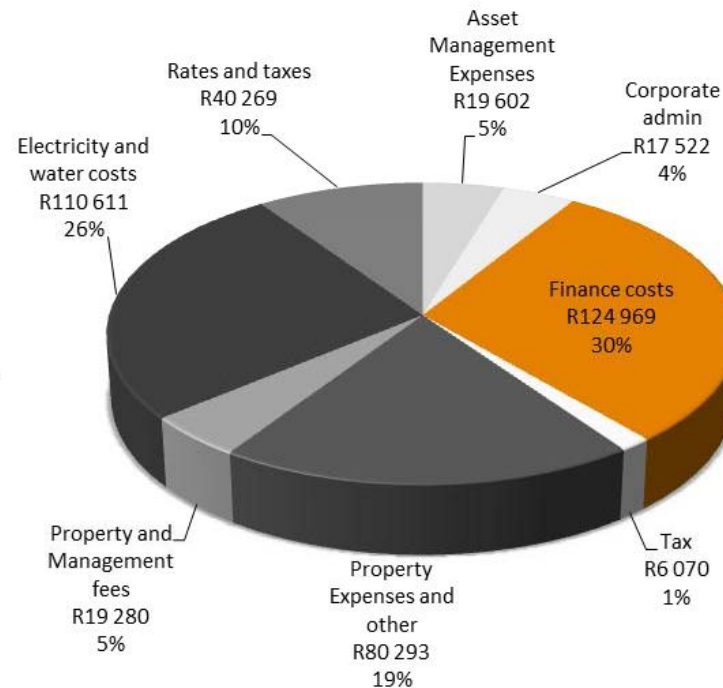
(1) The sale of non-core properties effectively reduced gross income by R25 million over comparable period, partially offset by income generated from the re-investment of the proceeds thereof

Group income and expenditure (R000)

Income (R762.4 million)

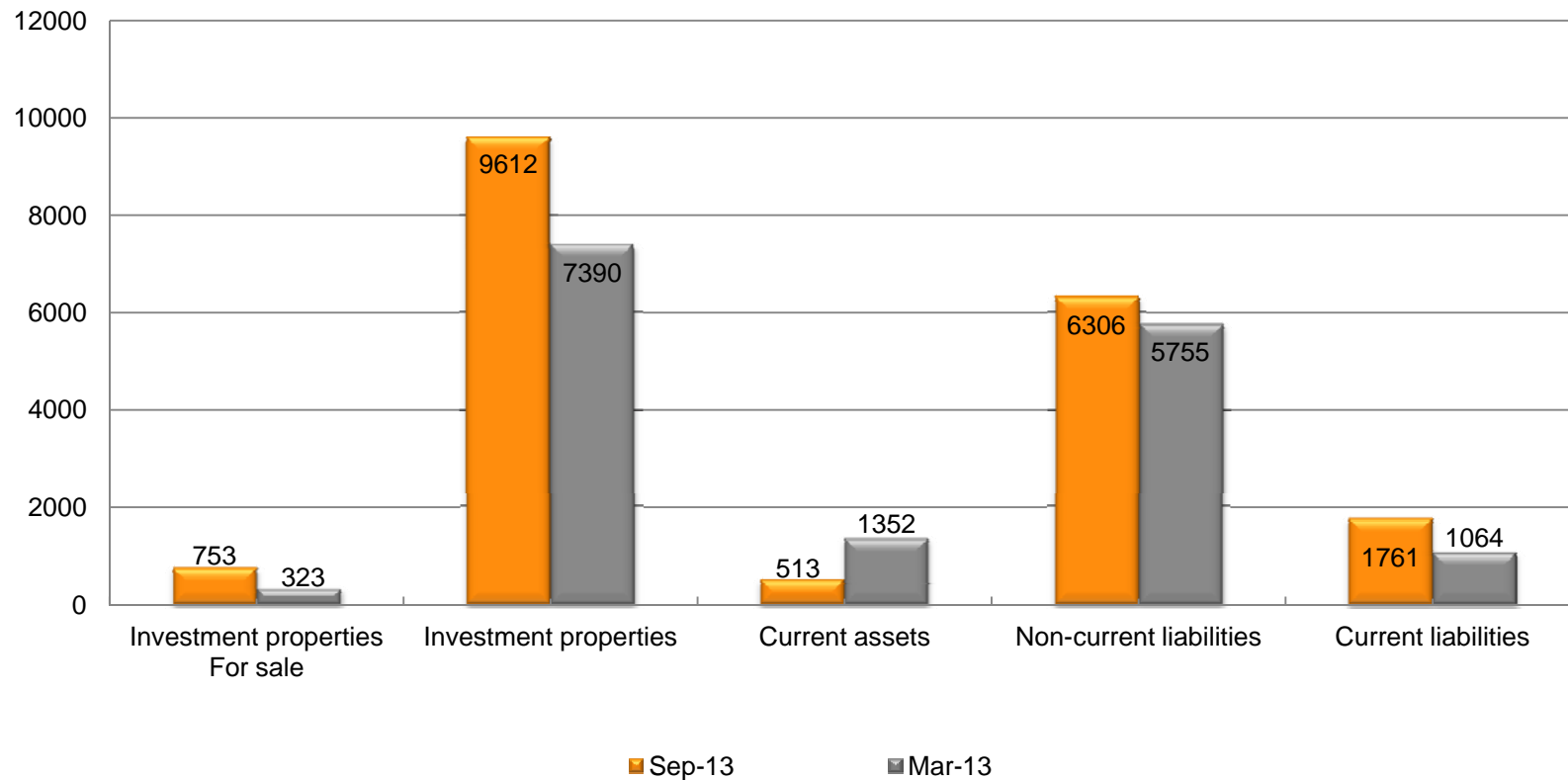


Expenditure (R418.6 million)



Distributable Income R343.8 million

Group balance sheet at 30 September 2013



Bad debt and arrears analysis

- Tenant arrears increased by R4.9 million from March 2013 to R31.6 million at September 2013:
 - R4.0 million increase contributed by acquisition of East Rand Mall post 31 March 2013
 - Total tenant arrears equates to 4.8% of gross rental income for 6 months to 30 September 2013 (September 2012 : 4%)
- Impairment allowance decreased from R13.7 million (March 2013) to R12.0 million at 31 March 2013.
- Impairment allowance expected to approximate 1% of gross rental income for the year ending 31 March 2014, which is in line with the previous impairment allowance.

	R000
• Impairment allowance 1 April 2013	13 653
• Allowance for receivable impairment for the year	93
• Receivables written off as uncollectable	(1 795)
• Impairment allowance 30 September 2013	11 951
Bad debt write-off per the statement of comprehensive income	4 183

Group debt structure

Loan to value ratio	:	32.8%
% interest bearing debt hedged	:	92.8%
Total cost of finance	:	8.1%

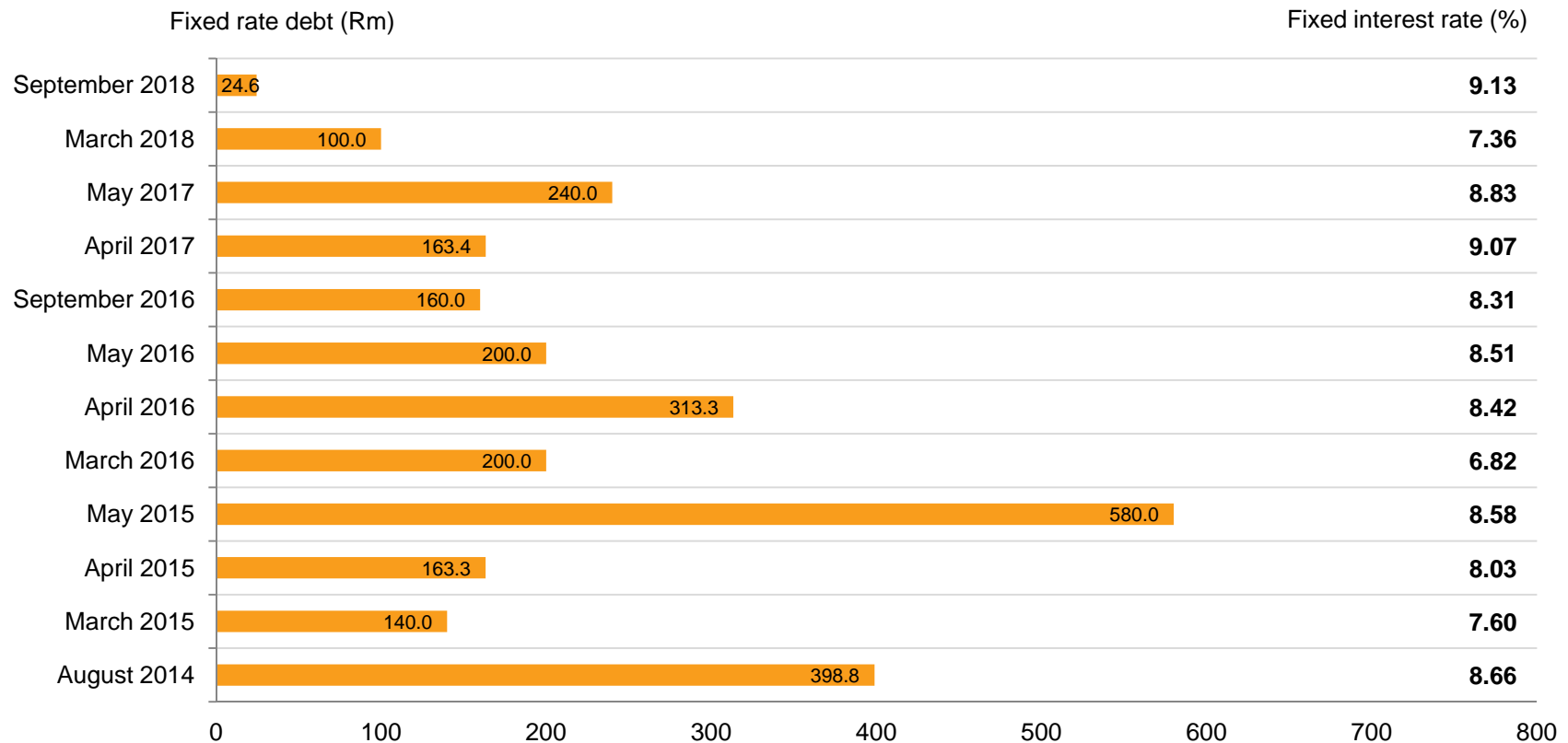
Extended 39% of swaps maturing by September 2015 to October 2018, at an additional swap cost of 35 bps or R1.4 million per annum

Change of strategy regarding hedging %: 90.0% to 80.0%

- Reduction in finance costs once new strategy implemented will be utilised to extend existing swaps for longer expiry dates
- Not used to boost short-term profits

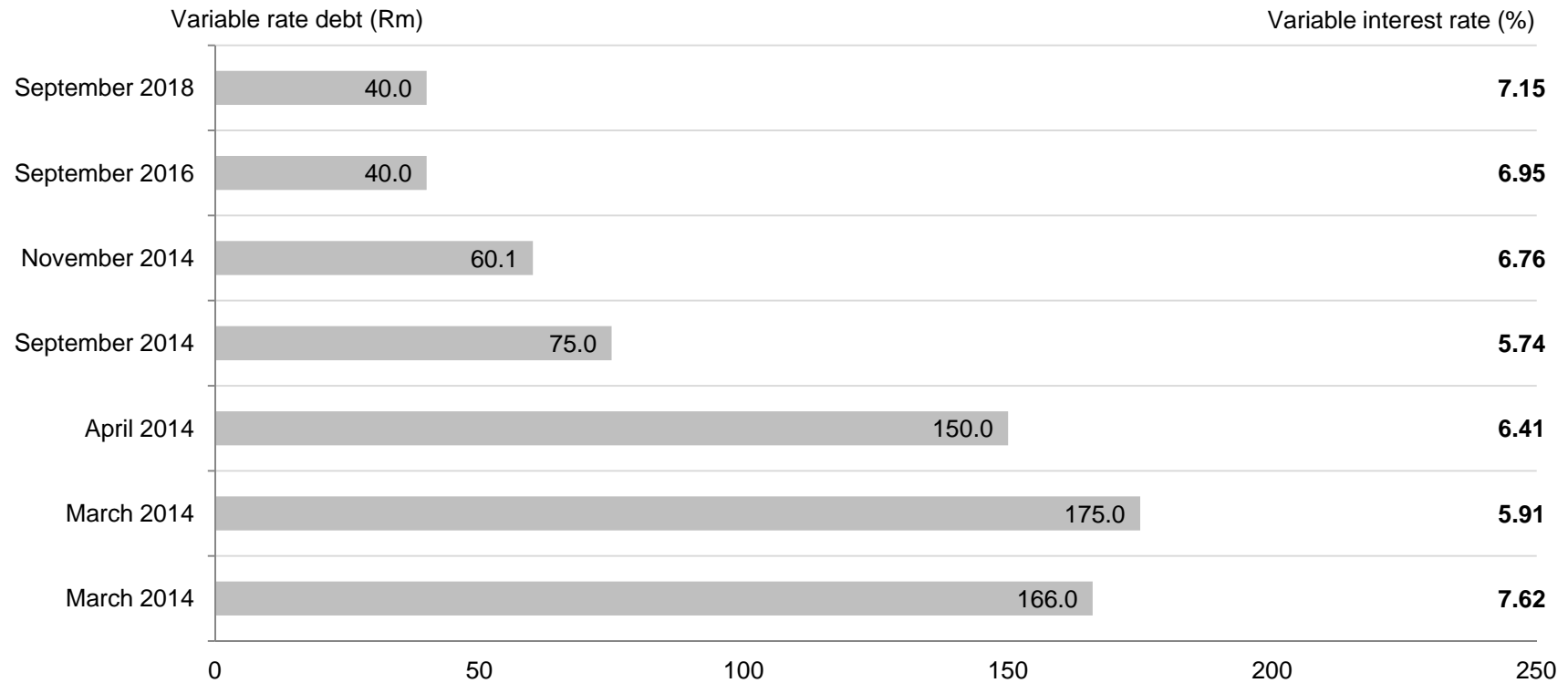
Group debt structure

Maturity and interest rate profile of fixed interest bearing debt at 30 September 2013

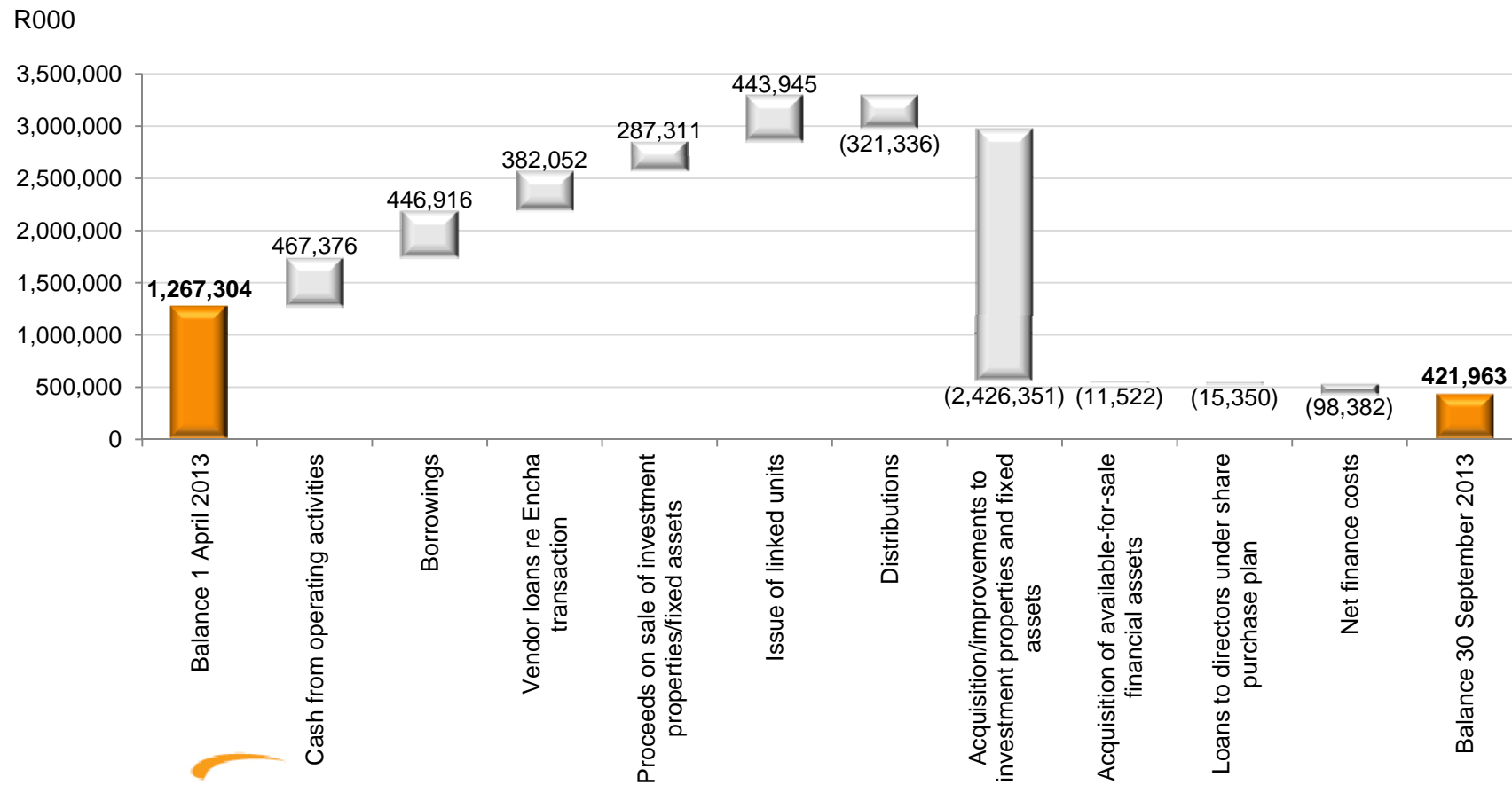


Group debt structure

Maturity and interest rate profile of variable interest bearing debt at 30 September 2013

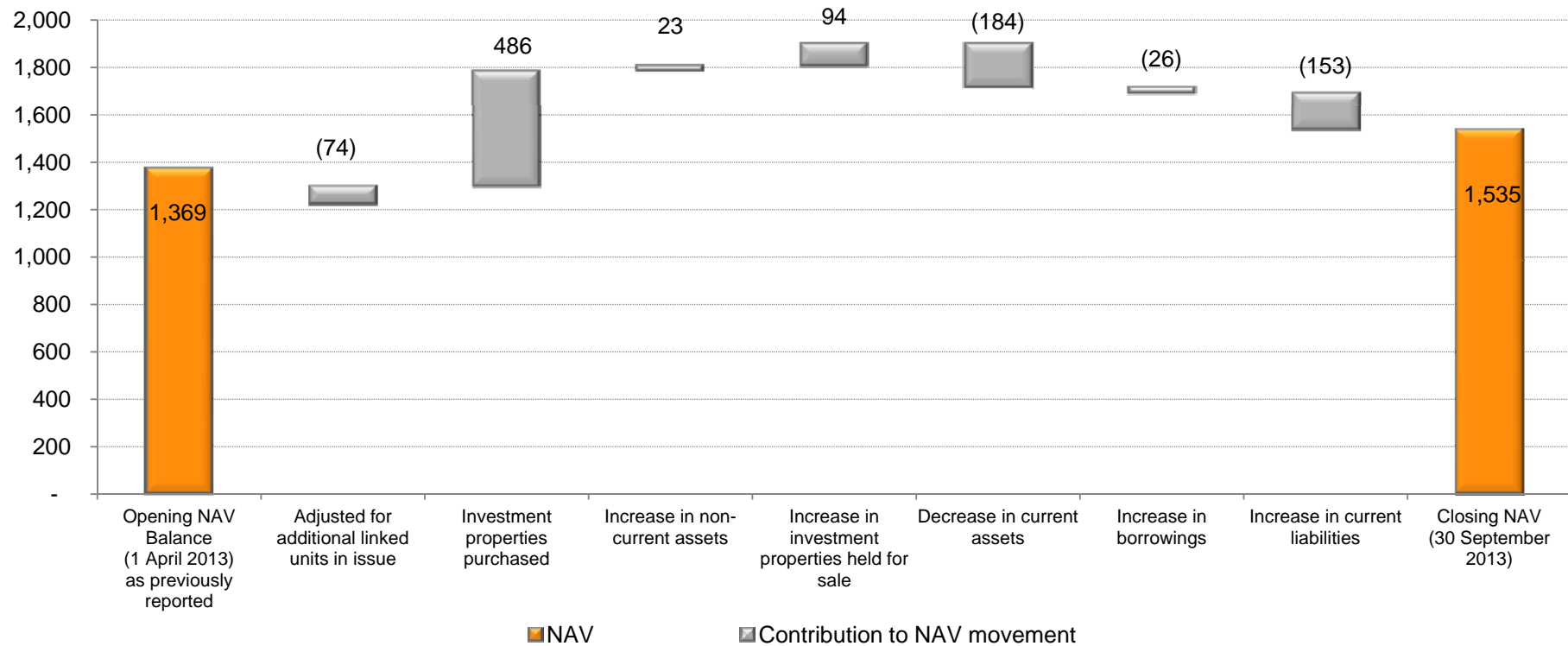


Group net cash flow

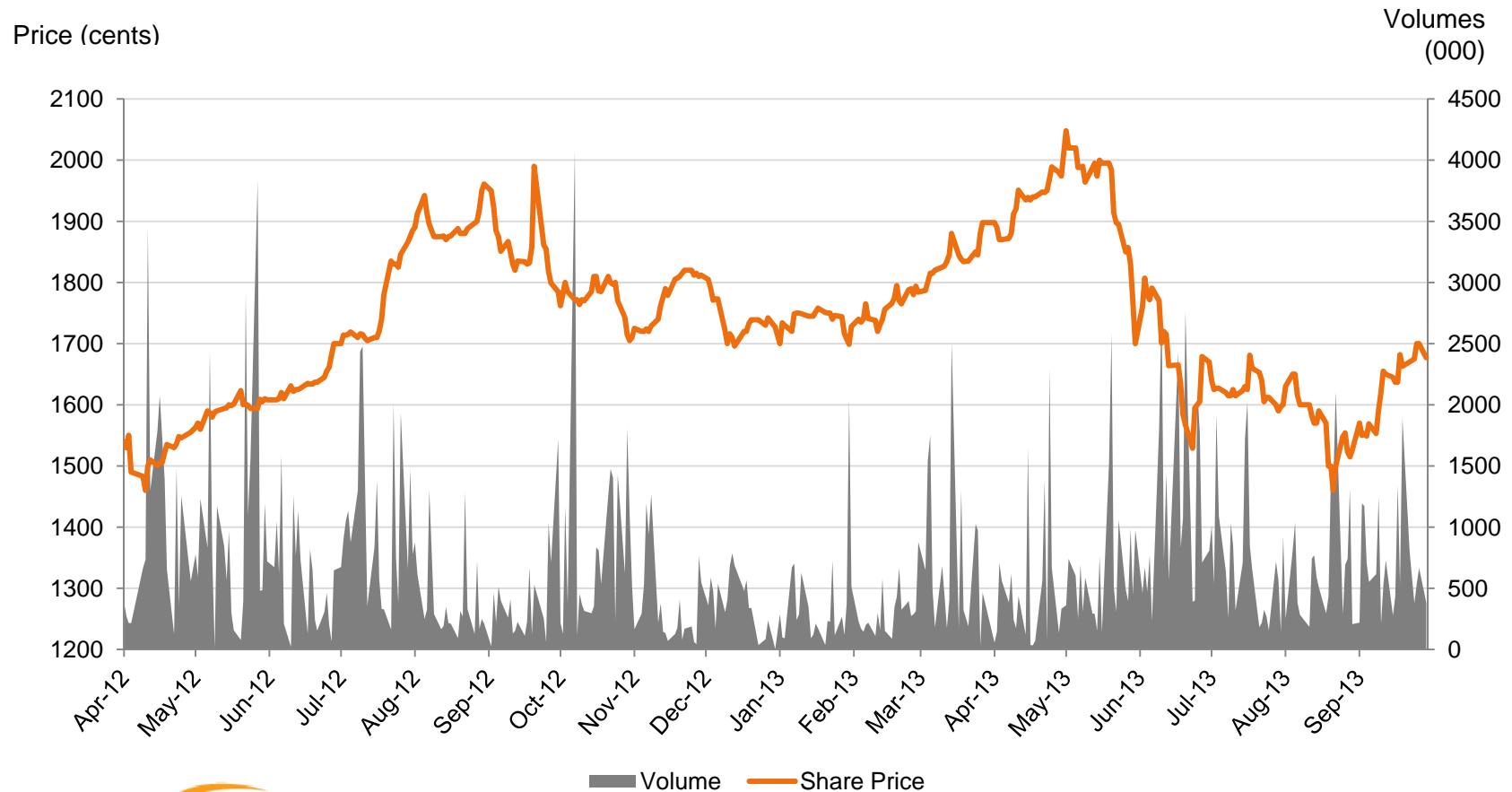


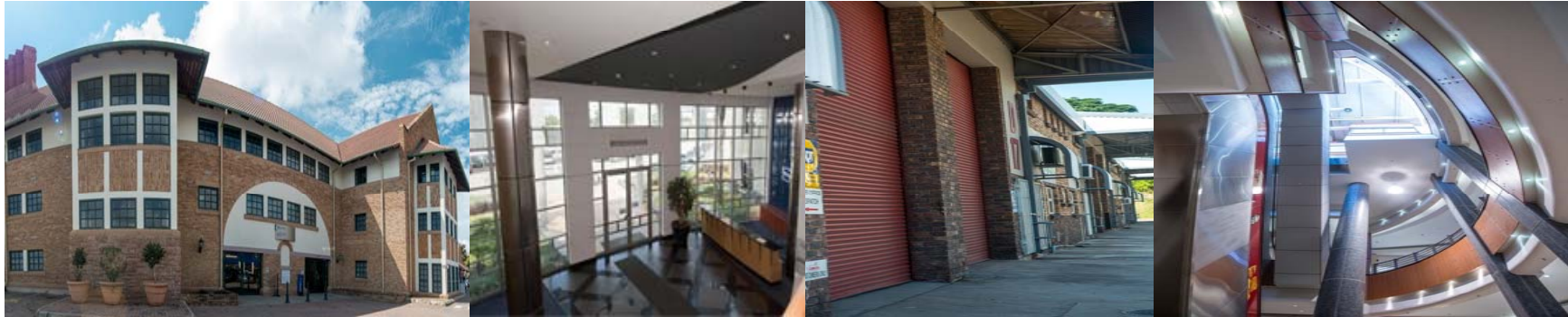
NAV bridge

Cents per linked unit



Linked unit price and trading volumes





Property portfolio performance and overview

INA LOPION

Overview

- Number of properties 81
- GLA 1 150 729m²
- Valuation
 - Total portfolio R10.342 billion
56% of Vukile/MICC portfolio valued externally, values in line with internal values
 - Average value per property R127.7 million
 - Average discount rate 14.1%
 - Average exit capitalisation rate 9.6%

Overview

- For the 6 months ended 30 September 2013 leases were concluded with a:

– Total contract value	R538.3 million
– Total rentable area	150 579m ²

- Tenant retention 78%

- Portfolio exposure:

Large national and listed tenants and major franchises	45%
National and listed tenants, franchised and medium to large professional firms	8%
Government	12%
Other	35%

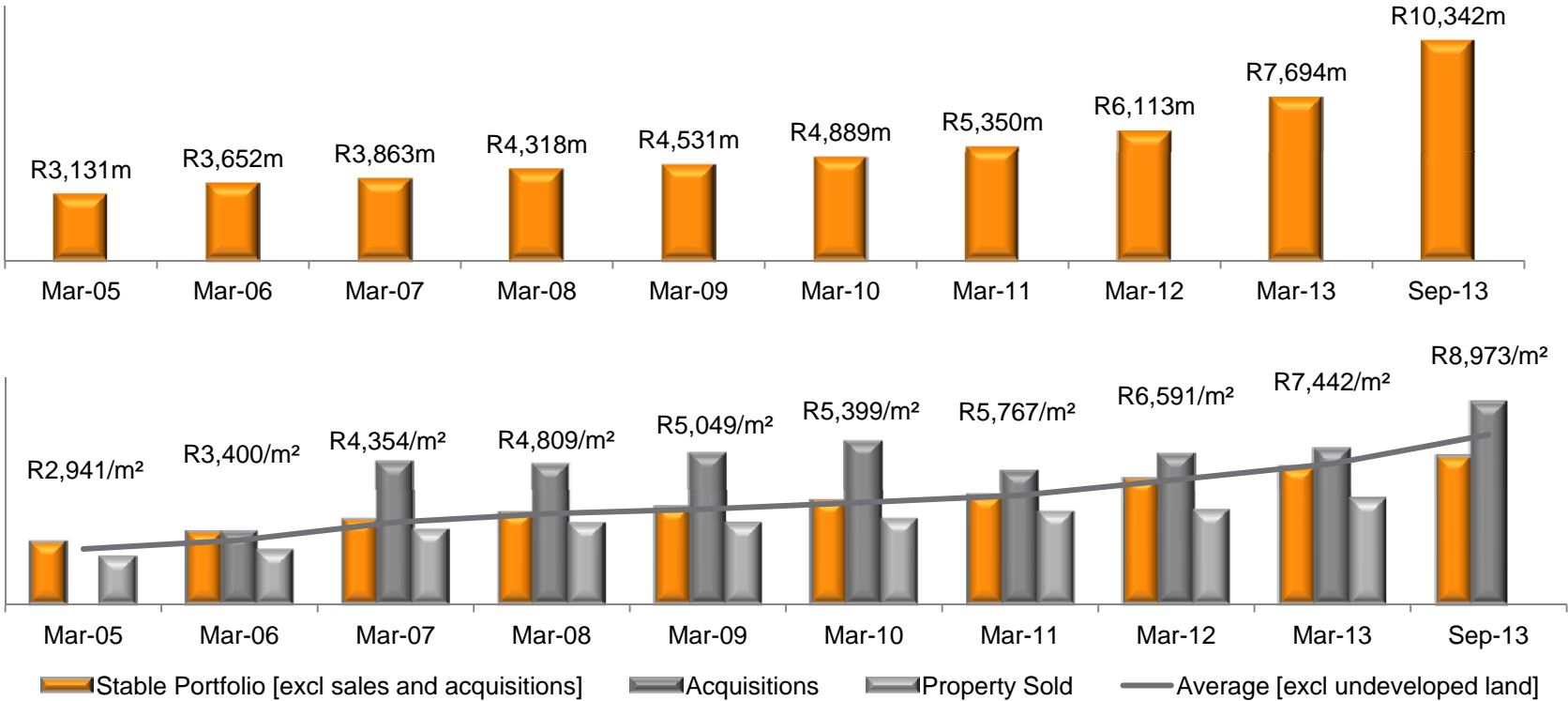
Historical Portfolio Overview

March 2010 to September 2013

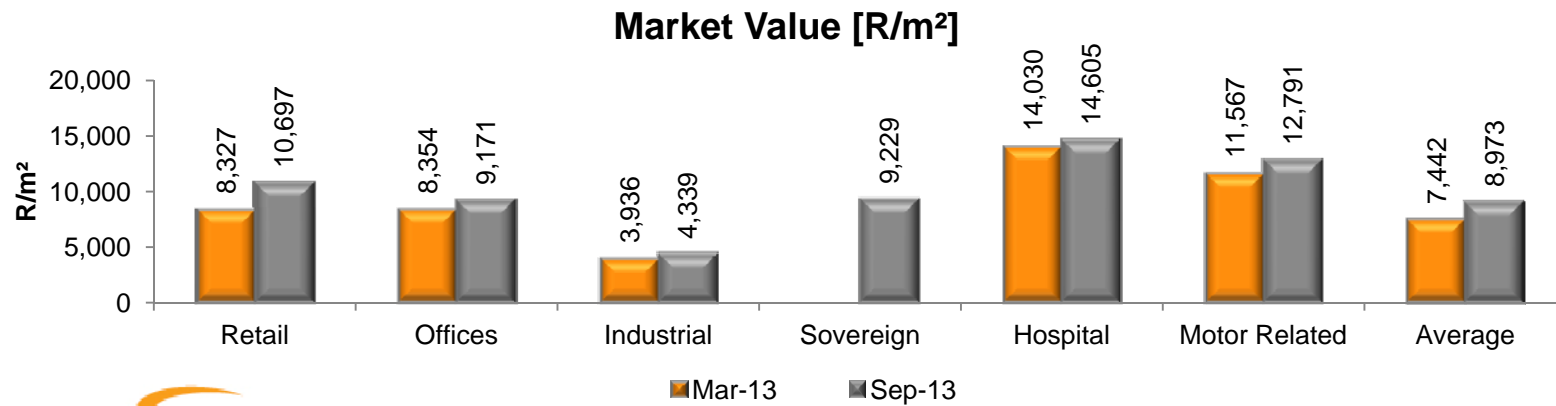
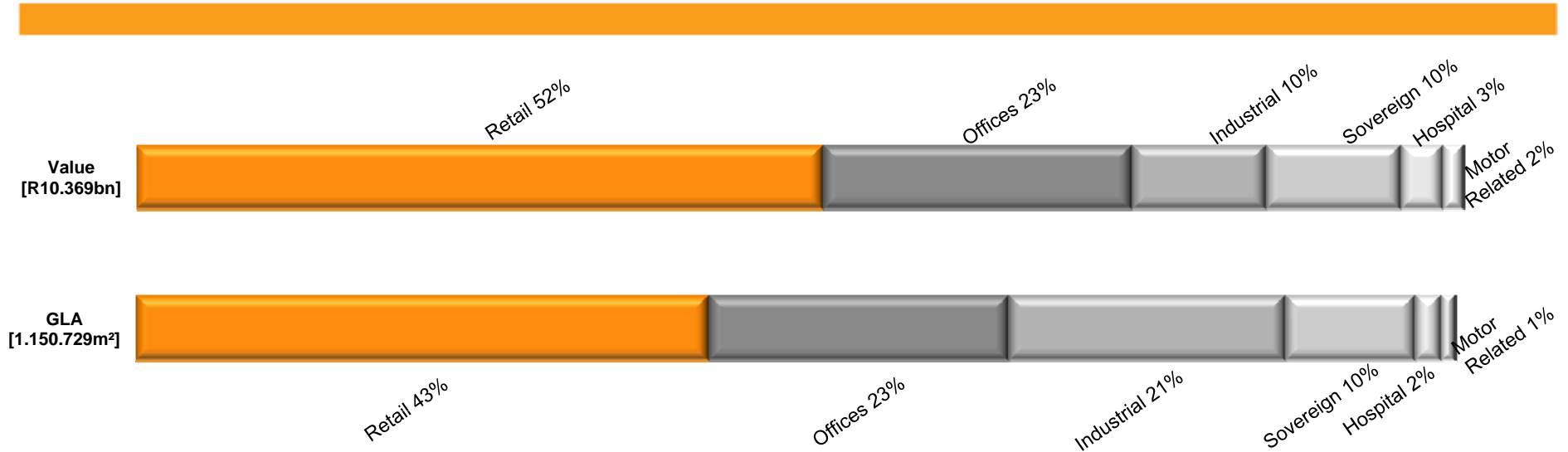
	March 2010	September 2013	Growth
Number of Properties	73	81	11%
Average Value per Property	R67.0m	R127.7m	91%
Average Value per m ²	R5 399/m ²	R8 973/m²	66%
Market Value			
	R4 889m	R10 342m	112%
- <i>Stable Portfolio</i>	<i>R4 021m</i>	<i>R5 778m</i>	44%
- <i>Properties Acquired [Apr 10 to Sep 13]</i>	-	<i>R4 564m</i>	
- <i>Properties Sold [Apr 10 to Sep 13]</i>	<i>R868m</i>	-	

Overview

Market Value [Rm]

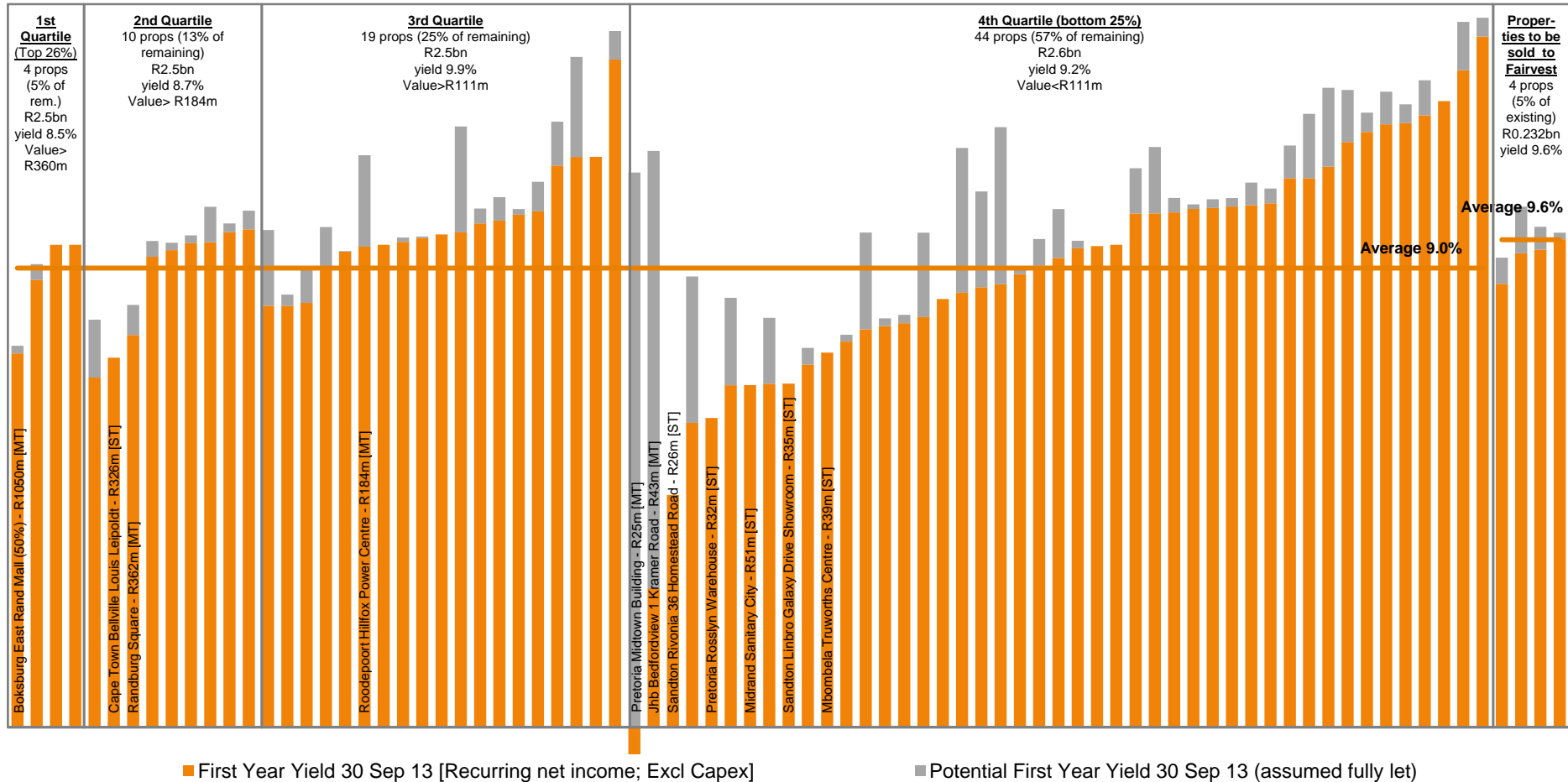


Sectoral profile



Portfolio composition

first year yield analysis



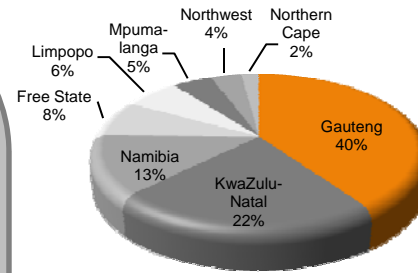
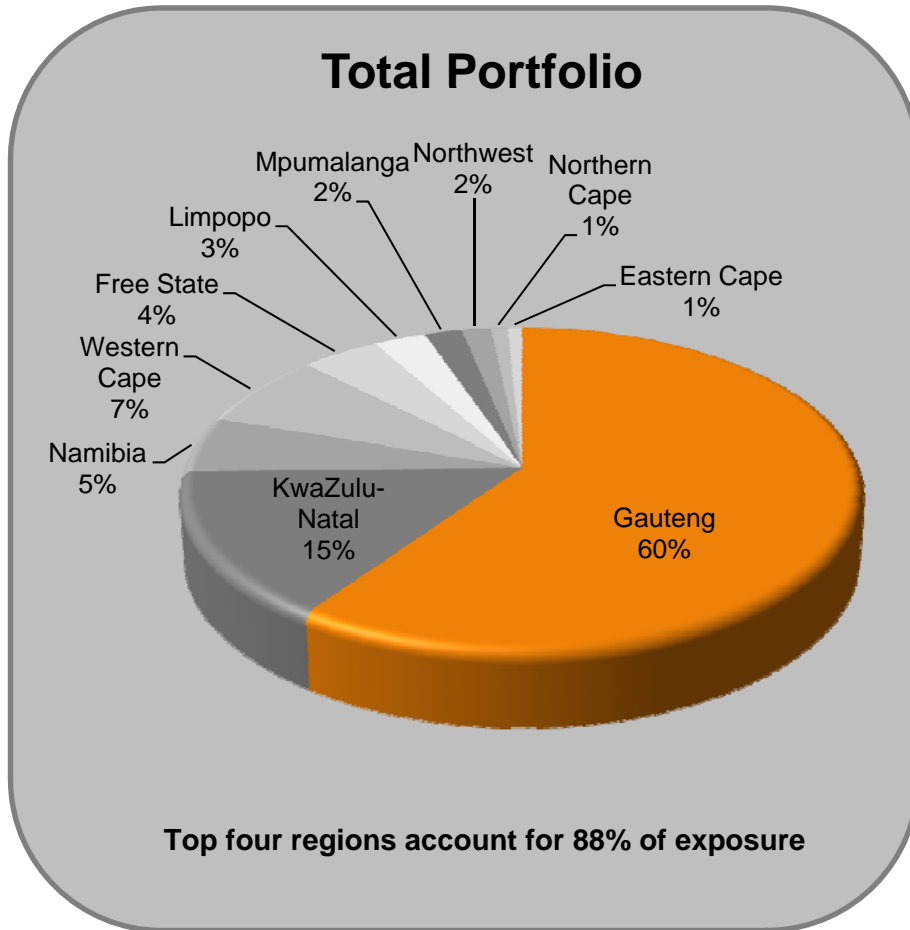
10 largest properties

Property	Location	Sector	Area m ²	Value Rm	% of total
Boksburg East Rand Mall (50%) *	Boksburg	Retail	31,258	1,049.8	10.1
Durban Phoenix Plaza	Durban Phoenix	Retail	24,348	556.3	5.4
Pretoria Navarre Building	Pretoria	Sovereign	47,519	495.1	4.8
Pretoria De Bruyn Park	Pretoria	Sovereign	41,418	372.0	3.6
Randburg Square	Randburg	Retail	51,292	362.2	3.5
Cape Town Bellville Louis Leipoldt	Bellville	Hospital	22,311	325.9	3.1
Pinetown Pine Crest (50%) *	Pinetown	Retail	20,057	298.9	2.9
Soweto Dobsonville Shopping Centre	Dobsonville Soweto	Retail	23,177	280.0	2.7
Jhb Isle of Houghton	Jhb Houghton	Offices	28,074	279.9	2.7
Oshakati Shopping Centre	Oshakati	Retail	24,632	235.2	2.3
Total : 10 largest properties			314,086	4,255.3	41.1

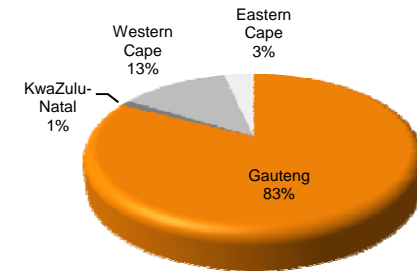
* Represents an undivided 50% share in these properties.

Sector	Area m ²	Value Rm	% of total
Retail	174,764	2,782.4	26.9
Sovereign	88,937	867.1	8.4
Offices	28,074	279.9	2.7
Hospital	22,311	325.9	3.1
Total : 10 largest properties	314,086	4,255.3	41.1

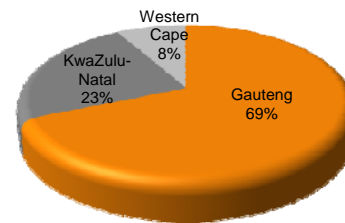
Geographic profile (GLA m²)



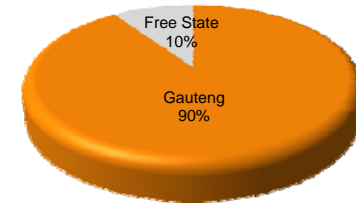
Retail [43%]



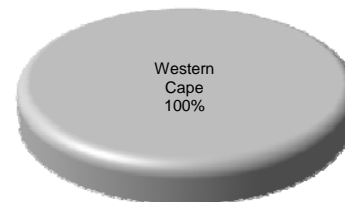
Offices [23%]



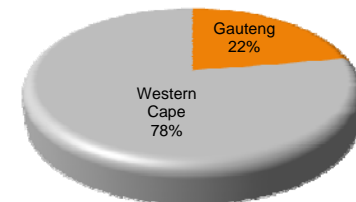
Industrial [21%]



Sovereign [10%]

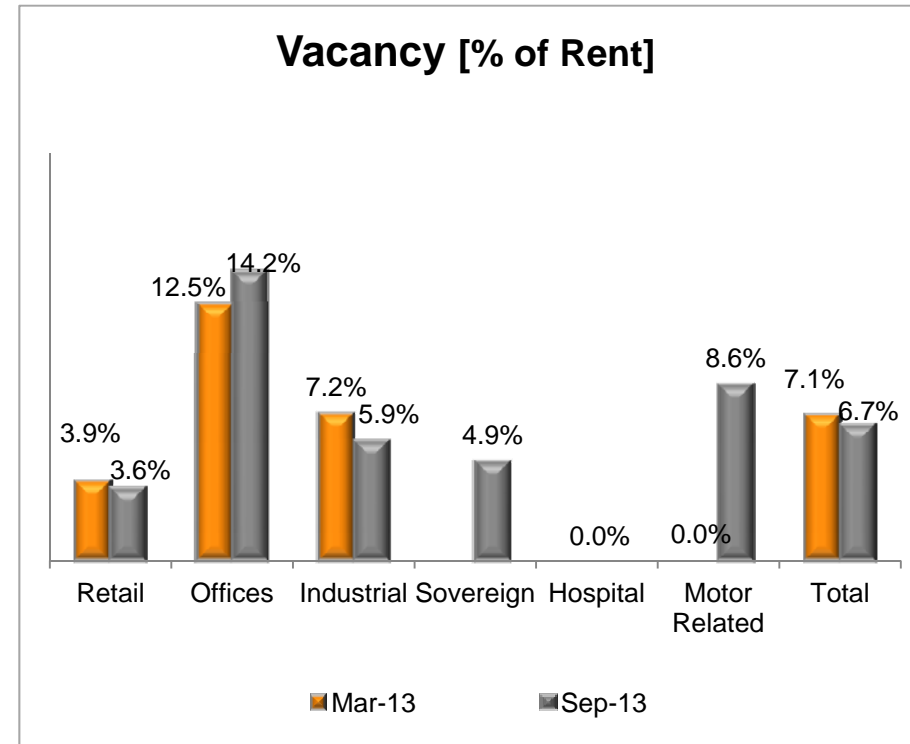
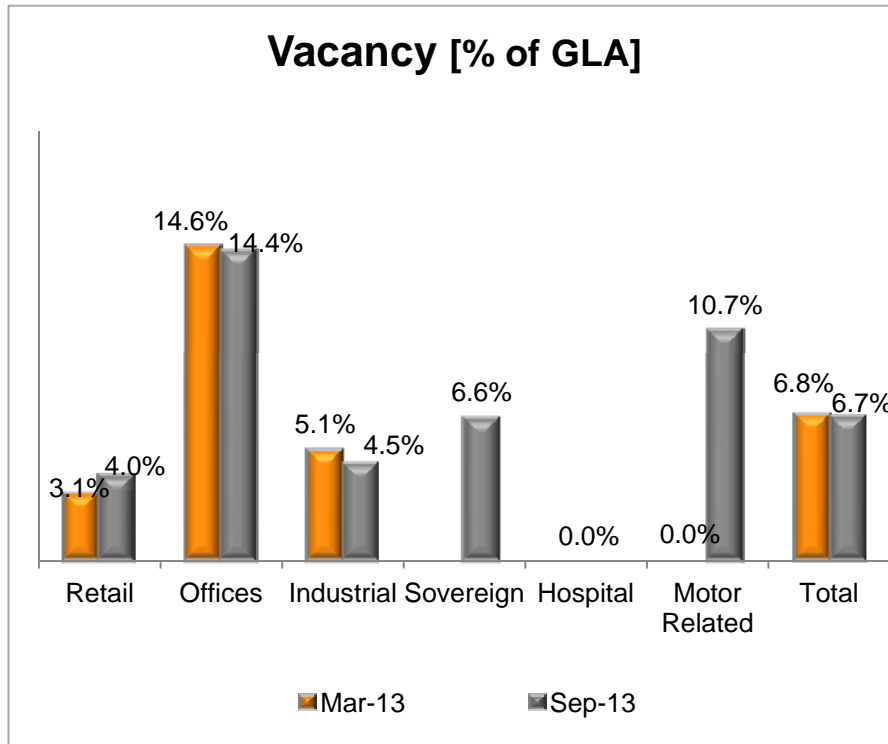


Hospital [2%]



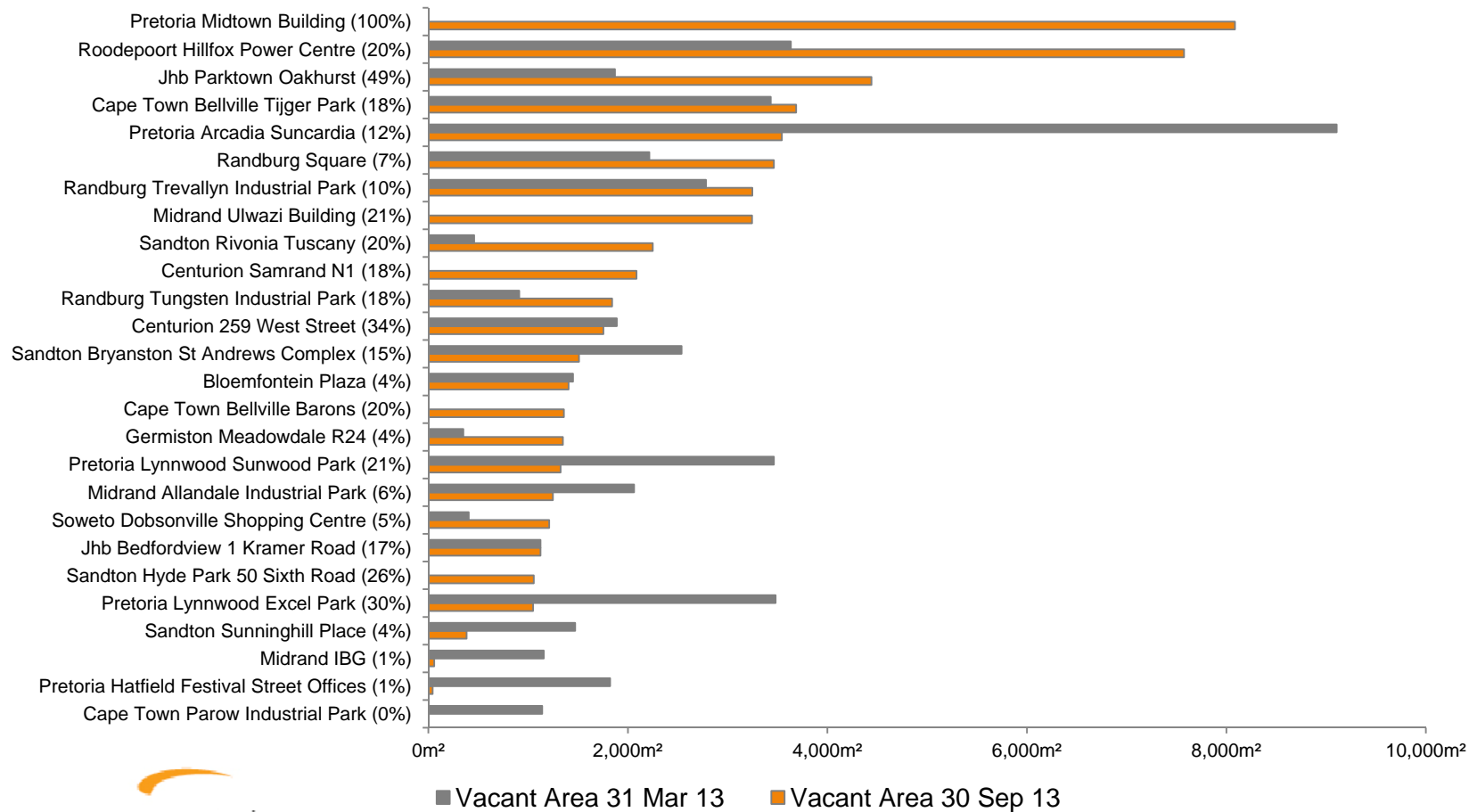
Motor Related [1%]

Vacancy profile

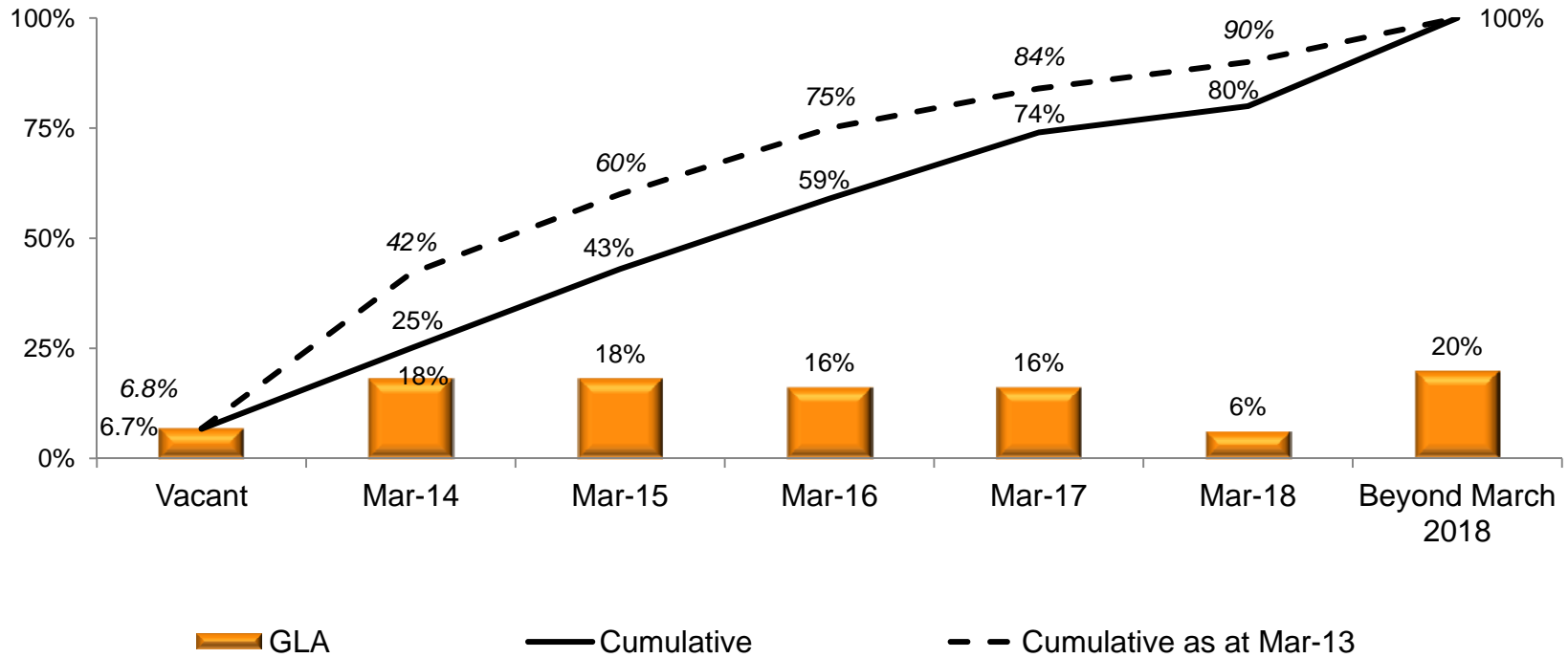


Individual properties vacancy profile

(% of GLA) (vacancy > 1 000m²)

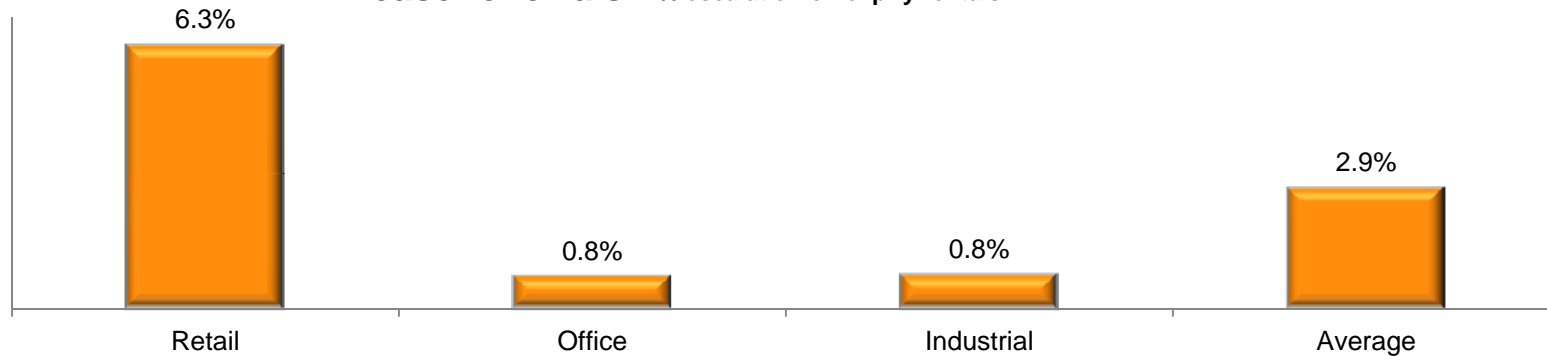


Expiry profile

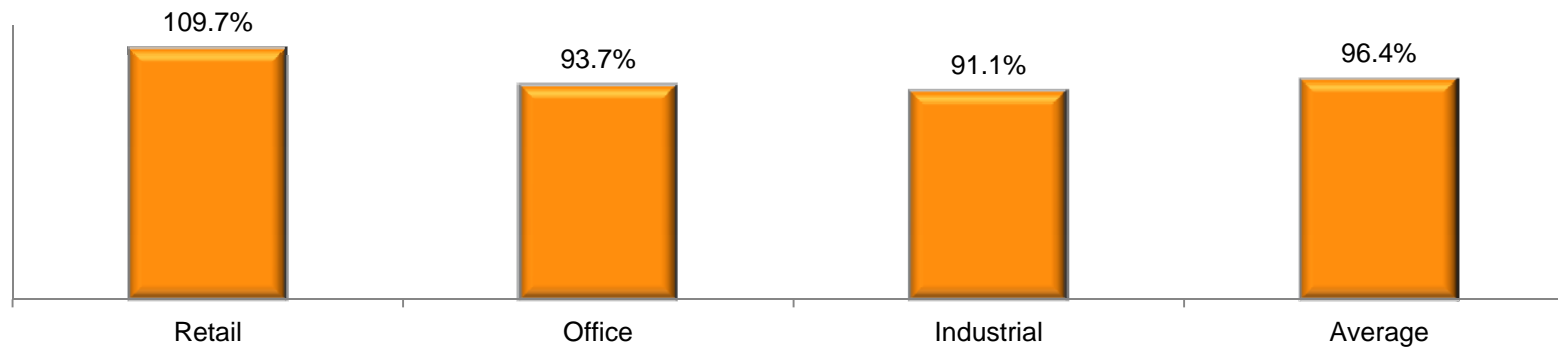


Lease renewals and new leases concluded

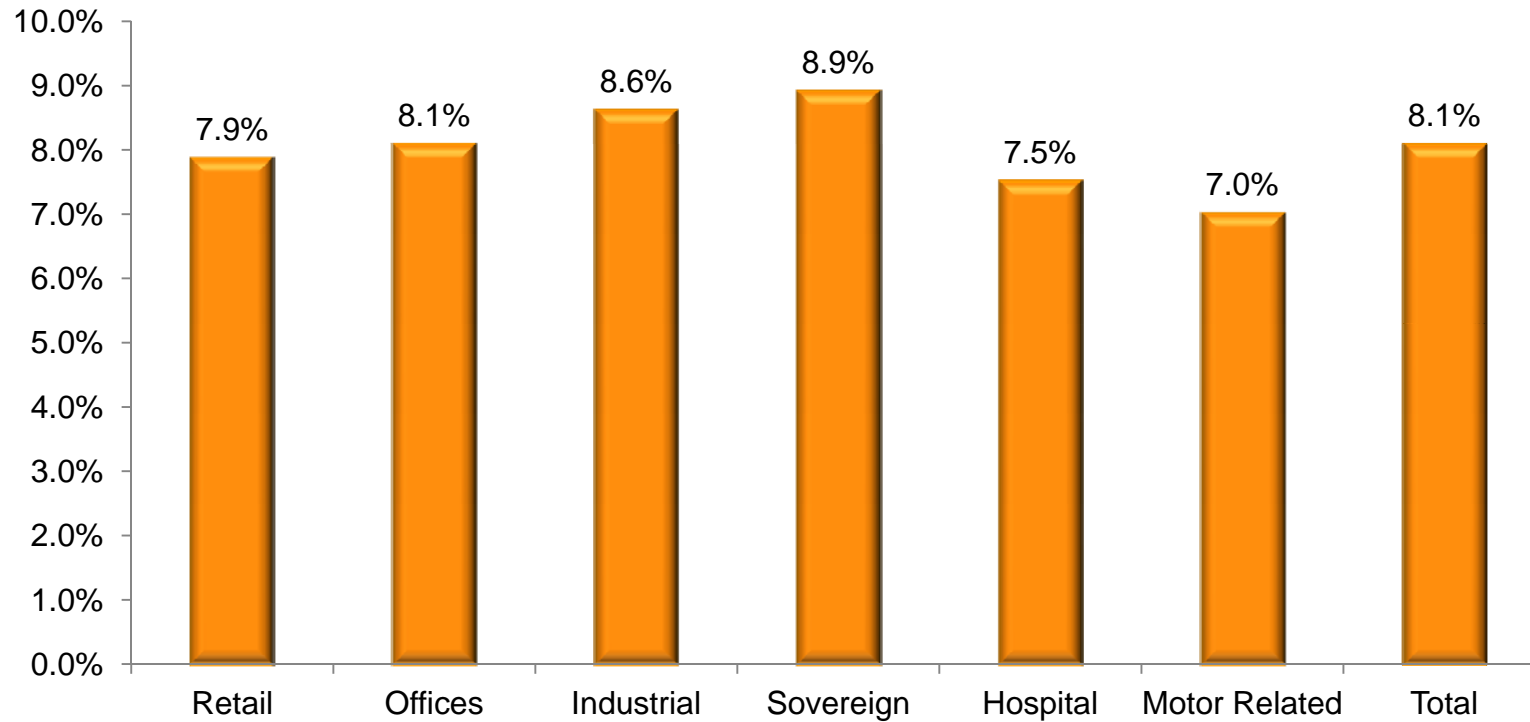
Lease renewals - % escalation on expiry rentals



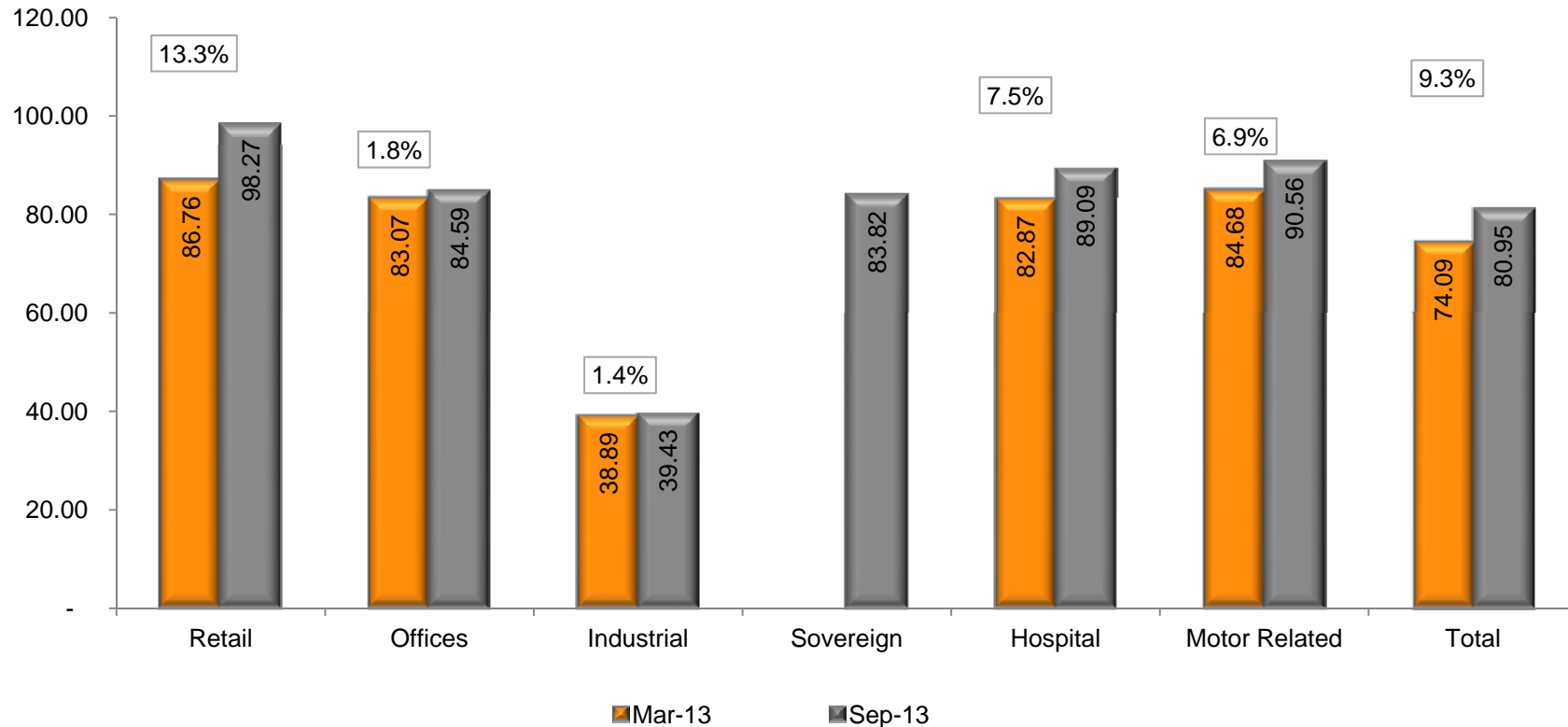
New leases concluded - (Ratio of rental concluded against budget)



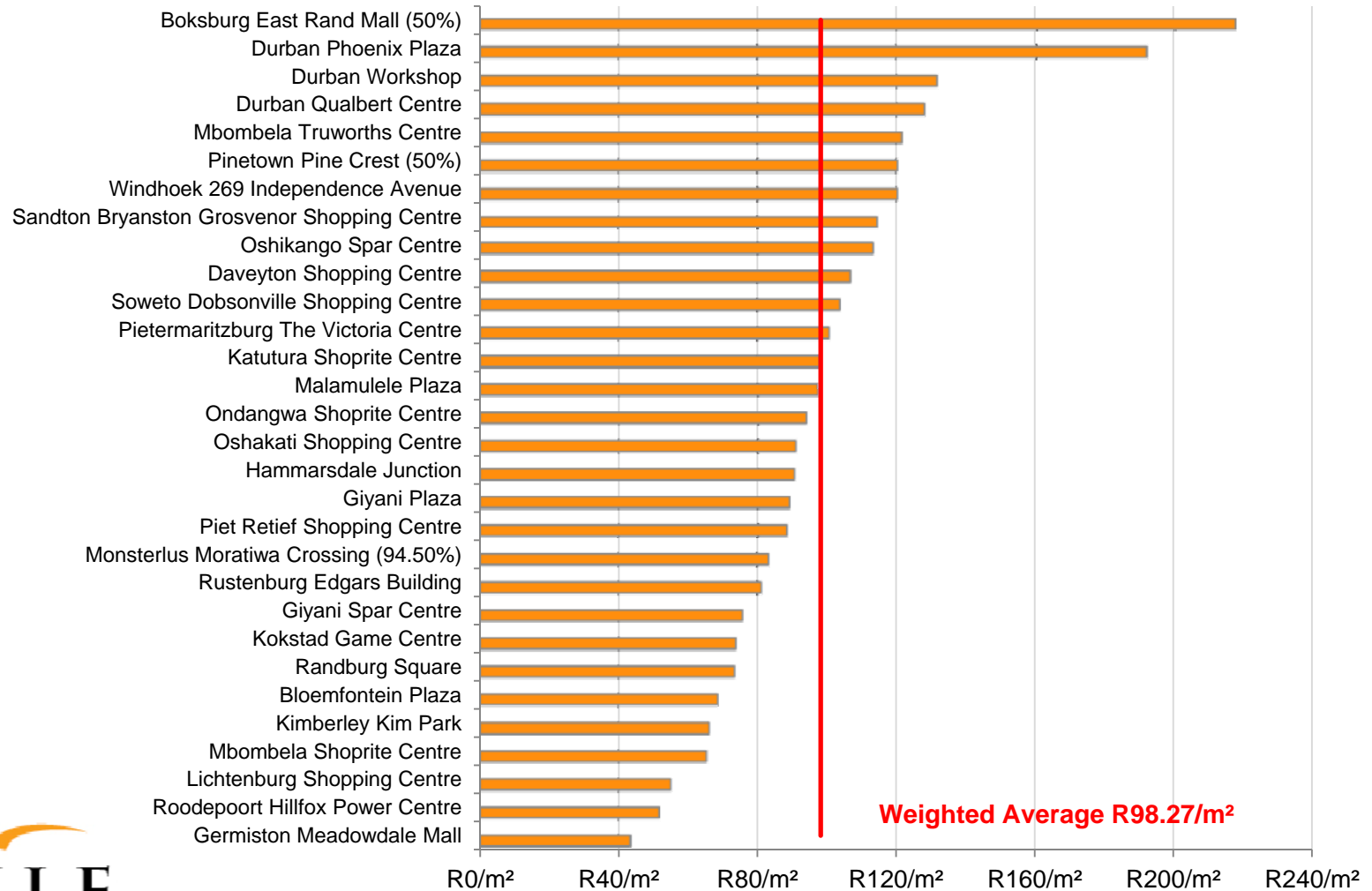
Contracted rental escalation profile



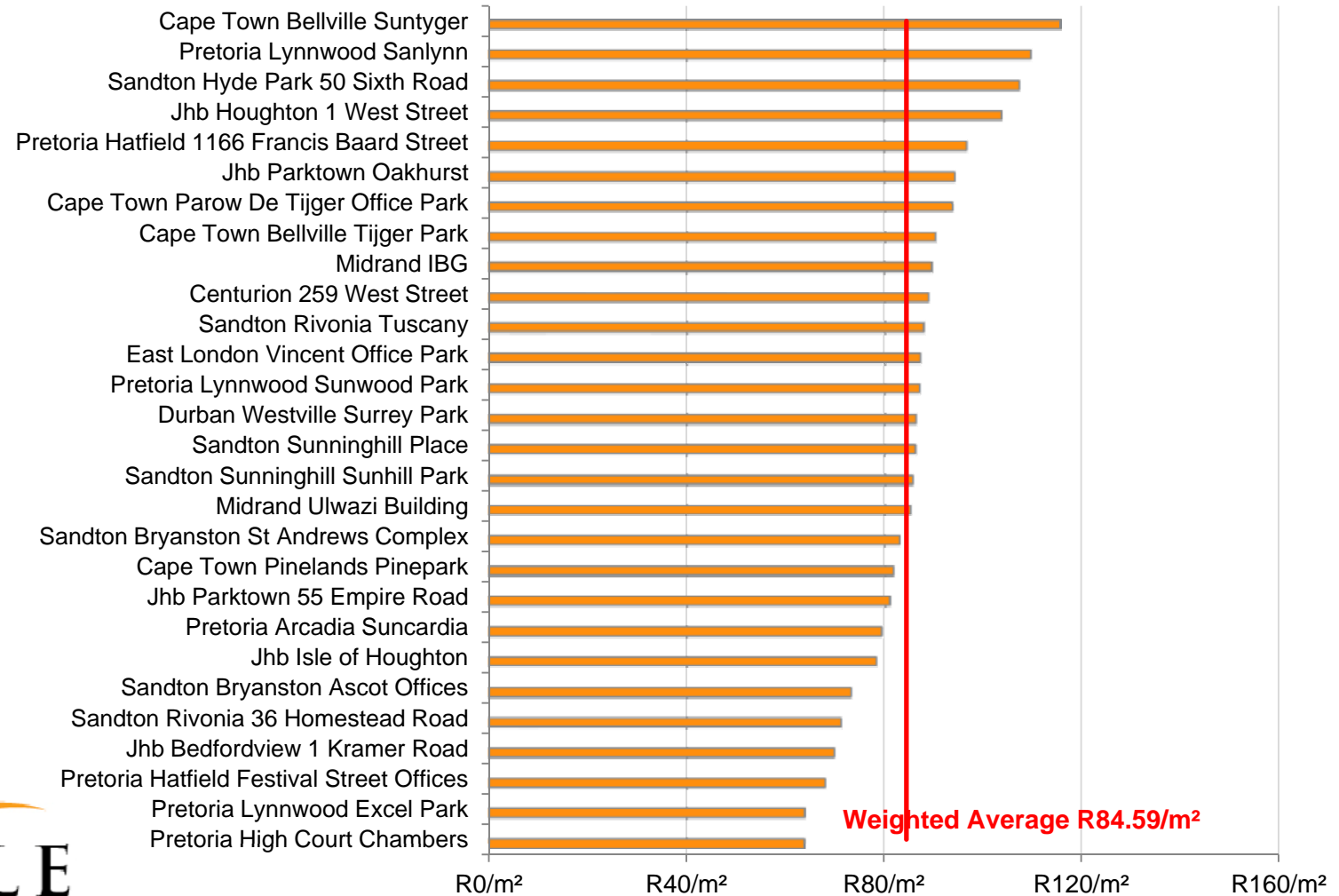
Weighted average base rentals R/m² (excluding recoveries)



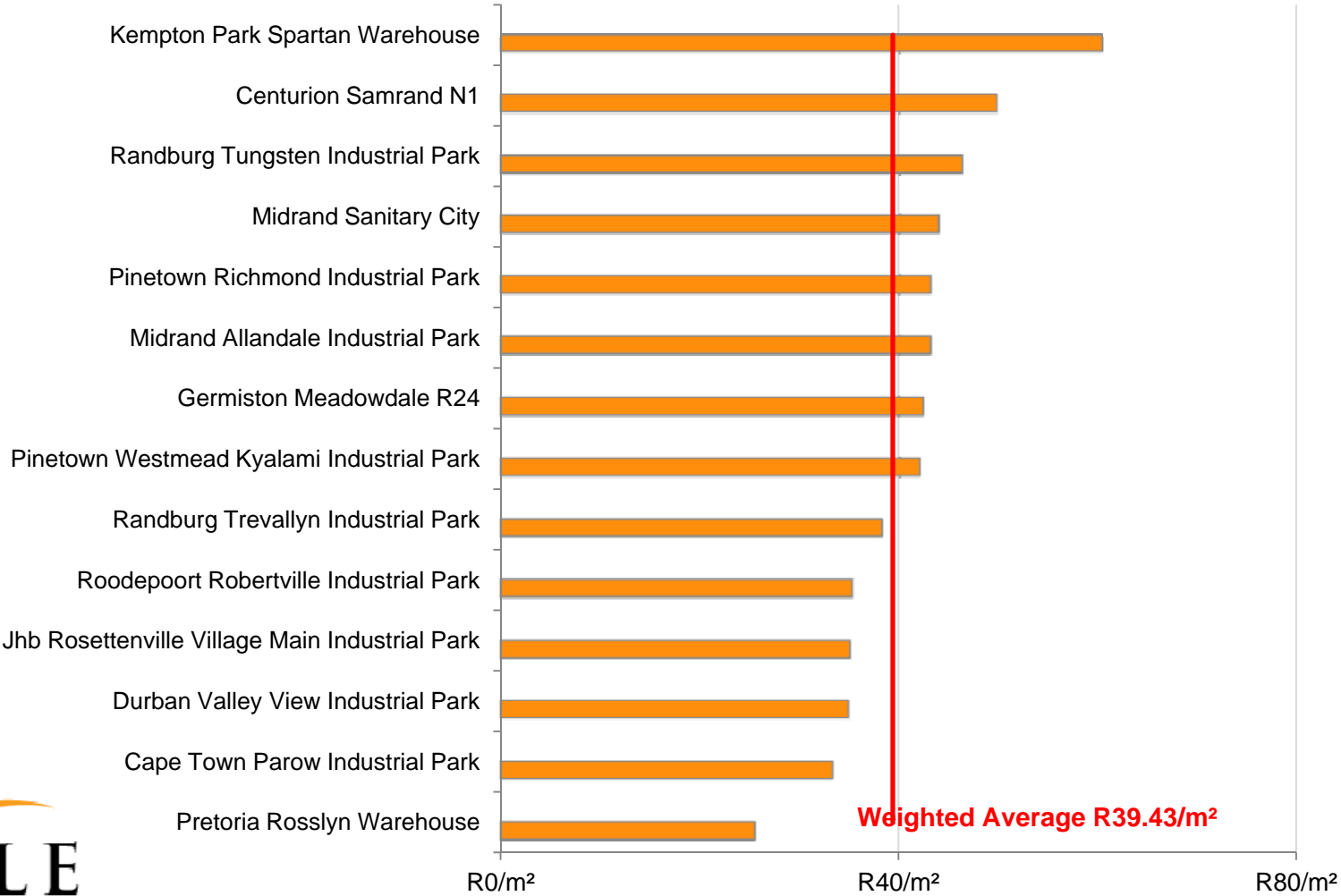
Retail portfolio - weighted average base rentals R/m² (excluding recoveries)



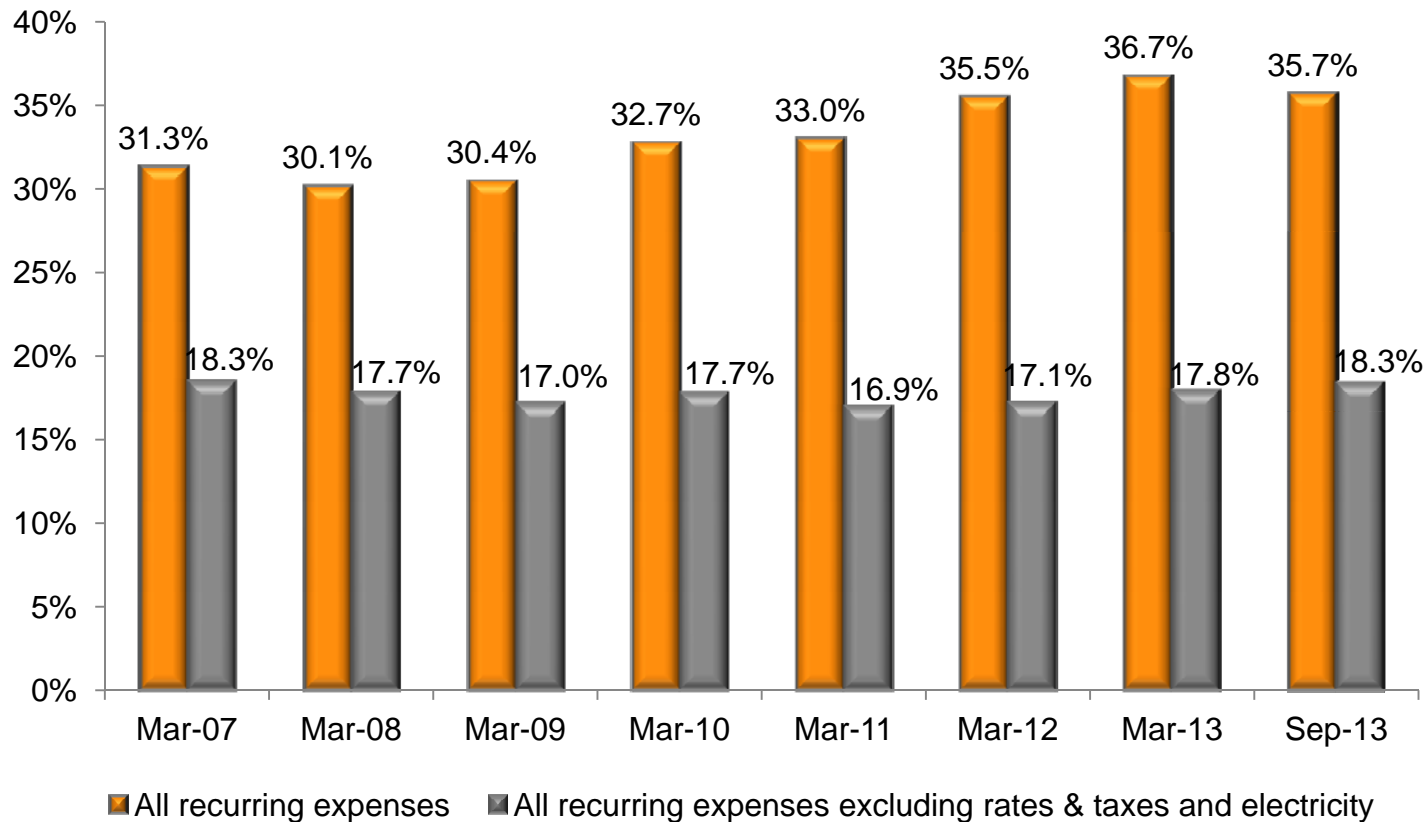
Office portfolio - weighted average base rentals R/m² (excluding recoveries)



Industrial portfolio - weighted average base rentals R/m² (excluding recoveries)

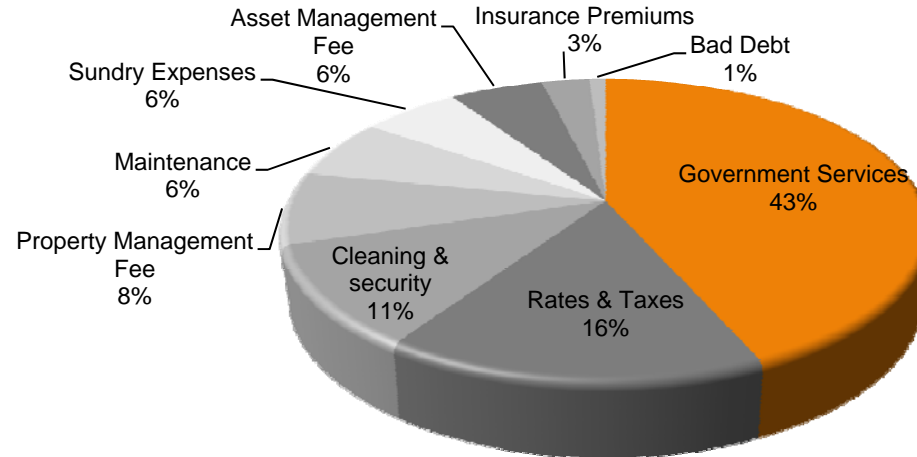


Ratio of gross recurring cost to property revenue - excl property sold to date

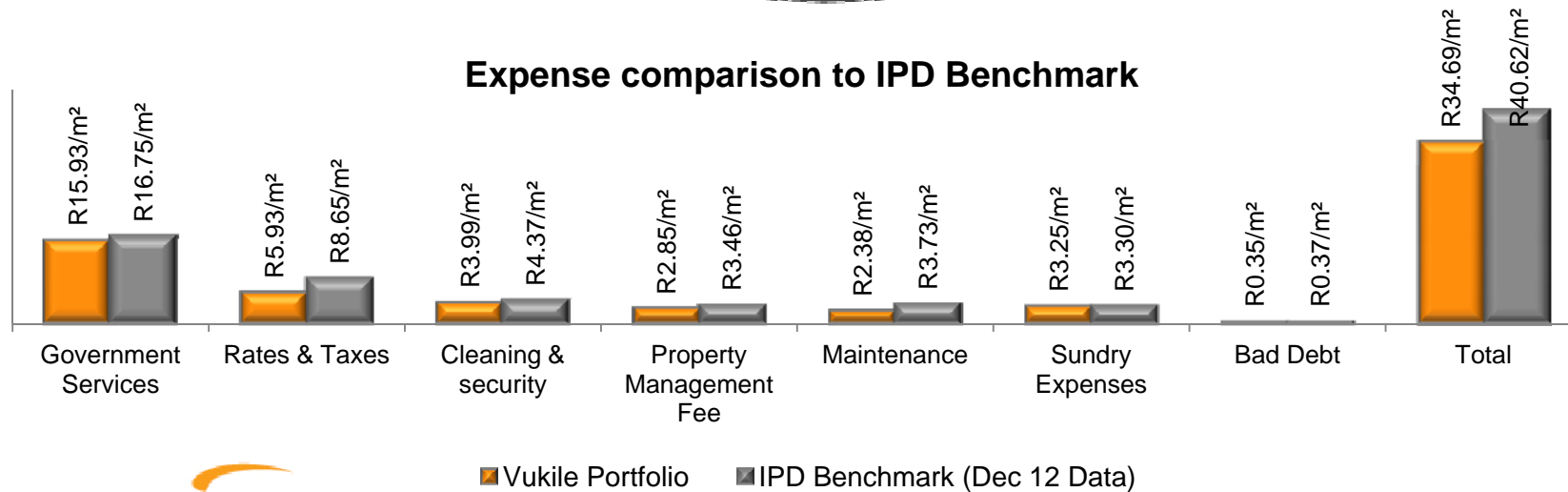


Excluding Durban Workshop

Recurring expenses



Expense comparison to IPD Benchmark



Re-developments / upgrades

RANDBURG SQUARE: BEFORE AND AFTER



Re-developments / upgrades

RANDBURG SQUARE: BEFORE AND AFTER

	START June 2010	COMPLETION October 2013
Valuation [Rm]	R208.2m	R362.2m
Valuation [R/m ²]	R4,053/m ²	R7,061/m ²
National tenant component (Retail)	64.2%	87.3%
Average foot count	594 948	797 027
Average outstanding lease period	1.65 year	2.28 year
Number of new tenants		23
Average <u>net</u> retail rentals (excluding Shoprite)	R66.61/m ²	R96.22/m ²

- Improved tenant mix
- Lower occupancy risk
- Greater national footprint
- Improved foot count
- Improved rentals
- 8.5% Forward yield

Re-developments / upgrades

Projects approved and in process

Property	Project detail	Additional GLA [m ²]	Total capex Rm	Yield	Completion date
Durban Workshop ⁽¹⁾	Upgrade to the mall areas	}	50.5	Upgrade expected to increase renewal rentals	November 2014
Durban Workshop	Conversion of cinema area to retail premises (Dunns, Ackermans & Pep)		4.5	18.0%	November 2013
Cape Town Bellville Tijger Park Offices ⁽²⁾	Upgrade and additional parking decks	102 parking bays	49.8	Upgrade expected to improve letting and increase rentals	February 2014
Cape Town Bellville Barons	Upgrade to Barloworld VW premises		17.5	9.4%	November 2013
Roodepoort Hillfox Power Centre ⁽³⁾	Third phase of the upgrade to the exterior of the centre		20.0	Upgrade expected to improve letting	November 2014
Ondangwa Shoprite Centre	Extension to Shoprite	166	9.5	5.5%	November 2013
Daveyton Shopping Centre	Pick n Pay extension	700	6.9	9.5%	October 2013
			158.7		

⁽¹⁾ The upgrade plans have not yet been approved.

⁽²⁾ Upgrade of buildings complete; the parking decks to be completed in Feb 2014 due to delays in the plan approval by Council.

⁽³⁾ Phase 3 start was postponed to beginning 2014 in order to first complete a marketing exercise.

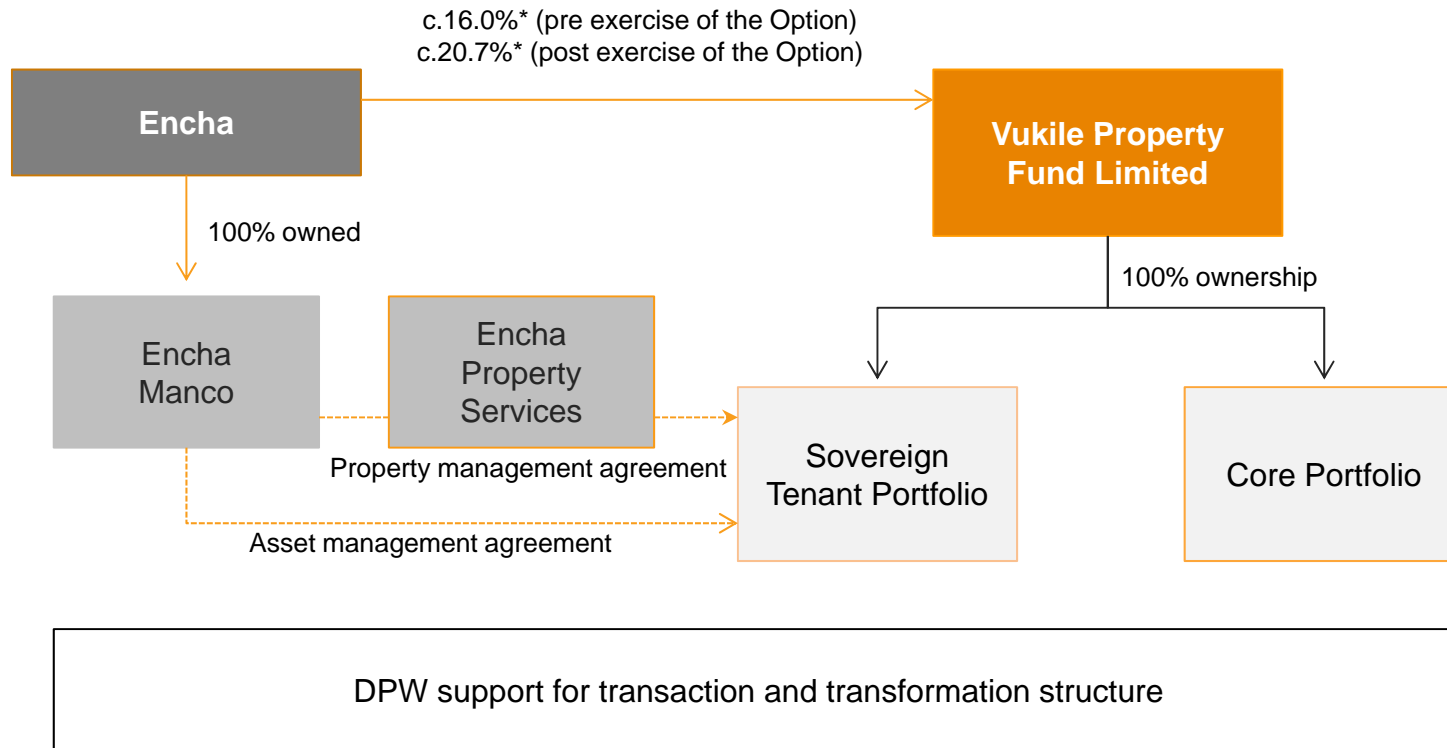


Overview of empowerment transaction/transformation strategy

LAURENCE RAPP

Overview of Encha transaction

Transformation Structure



Overview

Key transformation features

- Property Sector Charter compliance:
 - achieve significant initial ownership compliance with intention to increase Encha's shareholding above 25.1% utilising the equity funding platform
- Net proceeds to Encha of circa R490 million will be invested in Vukile units creating immediate alignment of interests
- Innovative equity funding platform:
 - Net equity to be leveraged to acquire up to an additional R1 billion equity in Vukile over the next 4 years
 - Encha to be locked-in for minimum period of 8 years
- Asset and property management of sovereign tenant portfolio to be outsourced to Encha on terms consistent with DPW requirements
 - Leases concluded on market terms
- Additional value to be unlocked within Vukile's existing sovereign tenanted properties
- Appointment of Dr Sedise Moseneke (2012/2013 SAPOA President) as an executive director of Vukile
 - Significant industry experience in government properties with over 12 years experience

Encha acquisition - earning enhancement

- Total purchase price of R1 047.2 million on a yield of 9.5%
- Price adjusted downwards by R56 million to cater for identified capex on buildings to be acquired
- R356 million funded by way of issuing Vukile equity: 22.84 million linked units (issued at 2.50% discount to 30 day VWAP, at R15.587)
 - R31.0 million balance to be paid to vendors once adjustment accounts finalised via equity or as part cash/part equity
- R535.3 million funded by way of bank debt as follows:
 - R350.0 million - 3 year debt
 - R64.6 million - 5 year debt
 - R120.7 million - revolving loan debt
- Weighted average cost of finance - 7.71%
- R125 million funded from surplus cash arising from property sales
- WACC on the transaction of 7.54%
- Momentum will be funded by way of an equity issue of c.R89 million to the vendors and the balance by way of available debt facilities

Transformation strategy

Scorecard	Progress chart	Comments/Action plans
Ownership		Use equity tap structure to grow Encha holding above 25.1%. Need to explore women's and broad based participation
Management Control		NED board to be fully compliant by year end through appointment of an additional black female NED. Executive management at 25%
Employment Equity		No short-term quick fixes. Have adopted a clear succession strategy which will facilitate greater transformation of staff over a 3 – 5 year period
Skills Development		With over 330 years of experience there are limited training needs within Vukile. Younger staff will be invested in. Contribution to SAPOA skills development programmes
Preferential Procurement		92% compliance – Rationalising on number of suppliers and policy driven suppliers appointment and verification process in place
Enterprise Development		Fully compliant - Through Encha Asset Management and Encha Property Services agreements
Socio Economic		Fully compliant – Increased CSI spend within the communities where our properties are located
Economic Development		Fully compliant - Development in under-resourced areas has long been a cornerstone of Vukile's strategy. Hammarsdale Junction and Lethlabile most recent examples. Disposals have also been to empowered companies



Review of Sovereign Tenant Portfolio

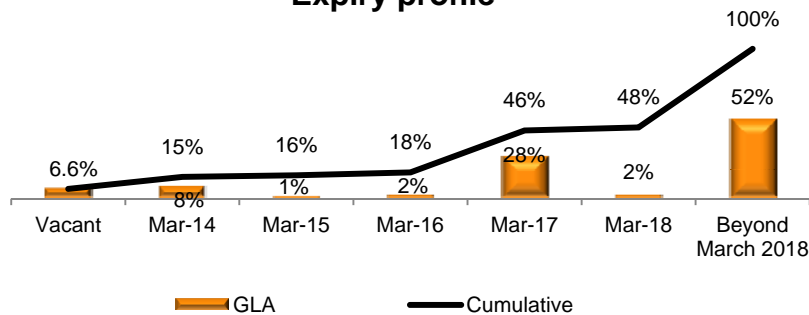
SEDISE MOSENEKE

Overview

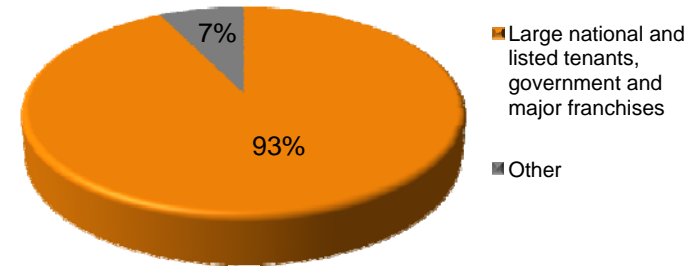
- Market Value R1.0 billion (10% of total portfolio)
- Average value per property R261 million
- GLA 113 205m² (10% of total portfolio)
- Number of properties 4 (5% of total portfolio)

Overview (cont.)

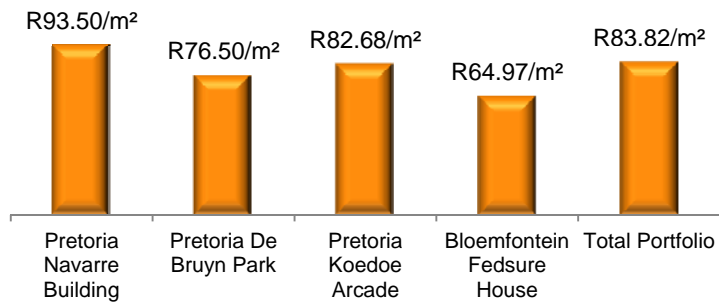
Expiry profile



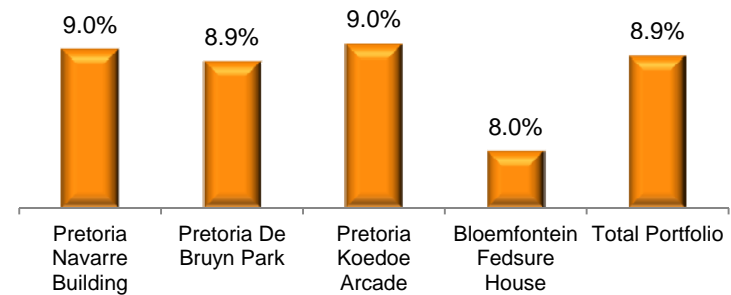
Portfolio exposure



Average base rentals (excluding recoveries)



Average contracted rental escalation profile



Pretoria Navarre



LOCATION	Navarre is situated in Pretoria Central at 231 Pretorius Street. The building extends from Pretorius Street, and can be accessed through a pedestrian mall from Schoeman Street.
DESIGN	The Ground Floor section of the building comprises of retail space, as well as limited storage. The balance of the floors are offices.
CONDITION	Recently painted, carpeted, electrical installations, aircon, fire equipment and smoke detection all recently done (Nov 2012). All lifts upgraded. Generator completely upgraded.
TENANT MIX	The lease agreement of the anchor tenant commenced on 1 April 2009, and expires 28 February 2019. The lease period is for 9 years and 11 months, with an exit clause after 7 years. The rent escalates by 9% p.a. on the anniversary of the commencement date of the lease.
CAPEX	Refurbishment and upgrades were completed in Nov 2012. Capex spend = R50 000 000 Further capex allocation = R3 000 000

KEY FACTS

Region	Pretoria, Gauteng
Sector	Sovereign Tenanted
Total GLA	47 519m ²
Grade	B+
Parking	200 bays
Monthly Rental*	R93.5/m ²
Anchor GLA	42 563m ² (SAPS)

* Base rental excluding recoveries

Pretoria De Bruyn Park



LOCATION	De Bruyn Park is situated in Pretoria Central on the corner of 253 Vermeulen Street and Thabo Sehume (Andries).
DESIGN	Commercial, with retail space on the ground floor and ground floor atrium.
CONDITION	Improvements in planning stage for upgrade of the air-conditioning system and minor building works.
TENANT MIX	The building is government tenanted, with a 5 year lease renewal confirmed that will expire in 2017. The rent escalates by 9% p.a. on the anniversary of the commencement date.
CAPEX	Capex allocation = R15 000 000 Upgrades to commence early in 2014.

KEY FACTS

Region	Pretoria, Gauteng
Sector	Sovereign Tenanted
Total GLA	41 418m ²
Grade	B
Parking	257 bays
Monthly Rental*	R76.50/m ²
Anchor GLA	31 684m ² (STATS SA)

* *Base rental excluding recoveries*

Pretoria Koedoe Arcade



LOCATION	Koedoe is situated in Pretoria Central at 236-250 Pretorius Street, between Andries Street and Bank Lane.
DESIGN	Commercial, retail on the ground floor.
CONDITION	An upgrade of the entire building was completed during the second quarter of 2012.
TENANT MIX	The lease agreement of the anchor tenant commenced on 1 April 2009, and expires 28 February 2019. The lease period is for 9 years and 11 months, with an exit clause after the 7th year. The rent escalates by 9% p.a. on the anniversary of the commencement date of the lease.
CAPEX	Refurbishment and upgrade completed = R15 000 000 Further capex allocation = R3 000 000

KEY FACTS

Region	Pretoria, Gauteng
Sector	Sovereign Tenanted
Total GLA	13 402m ²
Grade	B+
Parking	61 bays
Monthly Rental*	R82.68/m ²
Anchor GLA	11 230m ² (SAPS)

* Base rental excluding recoveries

Bloemfontein Fedsure



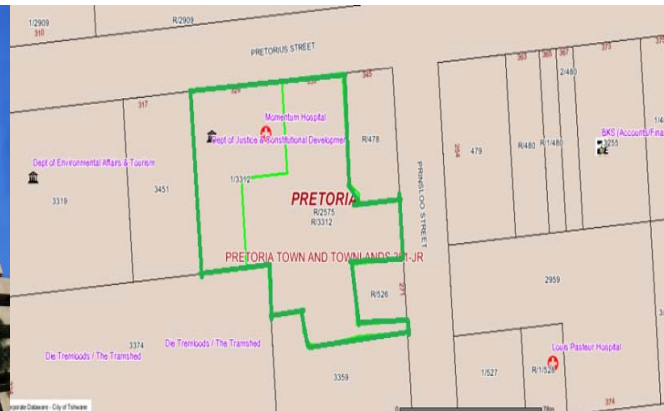
LOCATION	Fedsure is situated in Bloemfontein at 15 West Burger Street. The building is accessible from Maitland Street and St. Andrews Streets, with an arcade connecting the two streets. It is between West Burger and Aliwal Streets in the Central Business District.
DESIGN	The building has retail space on the ground floor, and office accommodation from the 2nd to the 11th Floor.
CONDITION	Upgrades in progress. Floors 9 to 11 complete.
TENANT MIX	The building is tenanted by National Government Departments, Incl. SARS. The average rental escalation is 8% p.a. The lease profile is generally 5 years and longer.
CAPEX	Refurbishment and upgrade in progress = R10 000 000 Capex already spent = R2 000 000

KEY FACTS

Region	Bloemfontein, Free State
Sector	Sovereign Tenanted
Total GLA	10 866m ²
Grade	B
Parking	140 bays
Monthly Rental*	R64.97/m ²
Anchor GLA	3 724m ² (SARS) 1 327m ² (Dept. of Justice)

* *Base rental excluding recoveries*

Option Property : Pretoria Momentum



LOCATION	Momentum is situated in Pretoria Central at 339 Pretorius Street, just off Prinsloo Street. It faces the rear of the State Theatre. It is along the bus route. It joins the Tramshed building, which can be accessed via a stairway on the Western side of the building.
DESIGN	Commercial use. The building has some retail space on the ground floor, both on the outside of the building in the street, as well as inside in the Atrium.
CONDITION	Generator emergency power, fire detection and sprinklers up to date. Monthly service schedule available.
TENANT MIX	The lease renewal process is almost completed, on conclusion of a minimum 5 year lease term, Vukile will look to exercise the option to purchase the property.
CAPEX	Capex allocated to upgrade and refurbishment = R26 000 000

KEY FACTS

Region	Pretoria, Gauteng
Sector	Sovereign Tenanted
Total GLA	37 704m ²
Grade	A-
Parking	514 bays
Monthly Rental*	R95.00/m ²
Anchor GLA	35 193m ² (Dept. Of Justice)

**Lease under negotiation with DPW, monthly rate dependant on conclusion of lease renewal. Base rental excluding recoveries*



Acquisitions, disposals, prospects, plans and acknowledgements

LAURENCE RAPP

Acquisitions

East Rand Mall



- Acquired 50% for R1.1 billion effective 1 April 2013
- GLA of 62 500m²
- National tenant component of 87%
- Initial yield of 6.83%, anticipated one year forward yield of 7.4%
- Rated as one of the most popular centres on the East Rand and in Gauteng
- Exploring opportunities to utilise additional bulk of c.8000m²

Hammarsdale Junction



- Acquired effective 1 June 2013
- Yield of 9.5% with a first year income guarantee
- 19 399m² GLA with 81% national tenants
- Catchment area of 43 000 households
- Expected major development in the area over time, including ± 4000 residential units
- Identified by Etikwini Municipality as the logistics corridor between the old airport and Pietermaritzburg

Disposals

Property	Sector	GLA (m ²)	Yield per annum	Sales price (R000)	Status transferred 2013
Durban Embassy	Offices	32,365	9.9%	238,000	23 May
Midrand Allandale Land (Halfway House Ext 65)	Industrial			21,850	16 August
Bloemfontein Bree Street Warehouse	Industrial	6,563	6.7%	13,900	13 August
Randburg Triangle	Offices	3,047	10.5%	13,500	10 May
TOTAL		41,975		287,250	

Update on transactions

Lethlabile



- 17 600m² centre in Lethlabile, ± 30km North of Brits at a cost of R194 million
- National tenant component of 85% of GLA including Checkers, Pep Stores, Ackermans, Mr Price, Jet, Capitec and Nedbank
- To be acquired on a yield of 9% with a one year income guarantee
- Anticipated date of completion is April 2014

Linbro Park



- 15 000m² mini factory/warehousing unit in Linbro Park, which is a prime industrial node in Johannesburg
- 22 units ranging in size from 350m² to 1 870m²
- Anticipated capex of R124 million on a yield of 10% with a 1 year income guarantee
- Expected completion date is the end of July 2014

Momentum Building



- Option to acquire property from Encha as part of original deal
- Subject to signing new lease of at least 5 years duration
- Key terms agreed and lease currently being finalised
- Yield of 9.5% on anticipated value of c.R380 million if exercised.
- Anticipated date of acquisition is January 2014

Update on transactions

McCormick Joint Venture

Edendale



- 50% interest in Edendale Mall, Pietermaritzburg, a 31 700m² retail centre for R185 million
- Acquisition delayed pending the resolution of the format in which Vukile will hold its title
- Initial yield 9% with a one year income guarantee
- The mall has a strong tenant mix comprising national, franchise and regional brands
- The remaining 50% held by the McCormick Group.

Maake



- 30% interest in the leasehold centre located 25 kilometres south-east of Tzaneen in Limpopo Province, measuring 15 200m² at a purchase price of R32 million
- Initial yield of 13.5%
- Anchored by Shoprite and Cashbuild while the national tenant composition is 86% by GLA
- The remaining 70% is held by the McCormick Group.

Modjadji



- 30% interest in the centre located 27 kilometres north of Tzaneen in Limpopo Province measuring 9 800m² at a purchase price of R29.5 million
- Initial yield of 10.5%
- Anchored by Shoprite and Roots while the national tenant composition is 90% by GLA
- The remaining 70% is held by the McCormick Group

Fairvest transaction

- Strategy of being open to investing in other listed funds if ***strategically aligned***
- Selling 4 properties to Fairvest in exchange for a shareholding of c.30% in Fairvest
- Subject to Fairvest shareholder approval – expected in December 2013

Property	Sector	Yield	GLA (m ²)	Sales price (R000)
Durban Qualbert Centre	Retail		4,777	67,775
Malamulele Plaza	Retail		6,193	63,822
Kimberley Kim Park	Retail		10,498	52,241
Giyani Spar Centre	Retail		5,485	47,759
Total		9.6	26,953	231,597

Fairvest transaction

- Yield enhancing transaction
 - Assets sold at a yield of 9.6%
 - Shares acquired at a yield of 10%
- Maintains retail focus but allows Vukile to get exposure to centres of below 10 000m² on an indirect basis and without diluting management effort
- Strong belief in the strength of Fairvest management
- Believe investment will drive higher growth in earnings on the parcel of assets exchanged as opposed to holding the 4 assets directly
- Easier to get the growth benefits of active asset management on a smaller fund than with small assets in a larger fund
- Ability to pass on deal flow of smaller assets
- Strategically aligned, earnings enhancing deal

Funding of acquisitions

- Unlikely to have to raise further equity in this financial year
- In excess of R800 million of available bank facilities
- Anticipated equity take-up of December 2013 distribution reinvestment plan
- Access to Encha equity tap facility as a first port of call for any equity raises

Strategy update

- On-going focus on operational excellence and driving performance from current portfolio
- Continue looking for selective acquisitions that are both earnings and quality enhancing
- Continued preference for retail assets
- Critical success factors as highlighted in previous presentation remain in place
- Sale of non-core assets to improve overall quality of portfolio
- Will consider strategic investments in other funds
- All activities focused on growing distributions on a sustainable basis for both the short and long-term

Prospects

- Significant progress in changing the portfolio to a better quality, lower risk profile
- 65% of assets comprise retail, sovereign tenant and hospital assets:
 - Retail (52%) - centres performing well with continued strong tenant demand
 - Sovereign Tenant Portfolio (10%) - longer lease expiry profile and contractual escalations of 8.9%
 - Hospital (3%) - 15 year lease with contractual escalations of 7.5%
 - Industrial (10%) - expect positive momentum of first half to carry through to second half
 - Offices (23%) - remains challenging
- Re-affirm our initial guidance of growth in normalised distributions for F2014 of between 4% and 6% off a base of 120.4 cpu
- Current consensus forecast for F2015 of c.7% growth is below our internal forecasts but clearly still too early to give narrower guidance
- Technical factors to take into consideration in forecasting F2015 including ...

Forecast guidelines for March 2015

- Acquisitions will contribute to income for full year to March 2015 vs.

	March 2014	Cost Rm	% Initial yield	% WACC ⁽¹⁾
• Encha (4 properties)	7 months	1 047.0	9.5	7.54
• Momentum	c.3 months	380.0	9.5	8.84
• Hammarsdale Junction	9 months	198.0	9.5	5.0 ⁽²⁾
• Edendale Mall	c.2 months	186.0	9.0	
• Lethlabile	0 months	194.0	9.2	
• Maake Plaza/Modjadji	c.2 months	61.0	12.0	5.0 ⁽²⁾
• Linbro Park development for 9 months to 31 March 2015		123.5	10.0	

⁽¹⁾ WACC – Weighted average cost of capital

⁽²⁾ Utilisation of surplus cash arising from property sales

- Additional finance cost for the above acquisitions for the full year to March 2015 of c.R33.5 million

Acknowledgements

- Board
- Property managers
- Service providers
- Brokers and developers
- Tenants
- Investors
- Funders
- Colleagues



Questions and answers

CLOSING