

Annual Results Presentation New Horizons

Financial Year to 31 March 2017



NEW HORIZONS



AGENDA

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VUKILE

PROPERTY FUND

REAL ESTATE. REAL GROWTH.

Introduction

Laurence Rapp

Profile

Who we are

- ▶ High quality, low risk, **RETAIL REIT**
- ▶ Strong **OPERATIONAL** focus
- ▶ Core competence in **ACTIVE ASSET MANAGEMENT**
- ▶ Prudent **FINANCIAL MANAGEMENT** and strong **CAPITAL MARKETS EXPERTISE**
- ▶ **ENTREPRENEURIAL APPROACH** to deal making
- ▶ Strong focus on **GOVERNANCE** and **LEADERSHIP**
- ▶ History of strong compounded growth and **SHAREHOLDER RETURNS** with CAGR of **21.8%** since listing
- ▶ Growing **INTERNATIONAL EXPOSURE** focused on UK and Spain
- ▶ Listings on the **JSE AND NSX**



Highlights

The year in review

- ▶ **SUCCESSFUL TRANSFORMATION** into a focused **RETAIL REIT**
 - Conclusion of Gemgrow transaction
 - Sale of Sovereign portfolio
- ▶ **7.1% GROWTH** in annual dividends
- ▶ Normalised like-for-like net **PROPERTY INCOME GROWTH** of **7.5%**
- ▶ Continued strong **RETAIL TRADING** metrics
- ▶ Strong balance sheet with a **GEARING RATIO** of **23%**
- ▶ Corporate rating of **“A”** with a **POSITIVE OUTLOOK** and **“AA+”** on senior secured bonds
- ▶ Well positioned for further **INTERNATIONAL EXPANSIONS**



Strategic direction – New horizons

A platform for growth - building on an exceptional core retail portfolio



Continued South African retail asset strategy

- ▶ Focus on defensive retail sector in-line with our high-quality low risk portfolio
- ▶ Continue to invest in our portfolio through expansions and upgrades
- ▶ Continue to invest in our systems and team to add value through our data-driven asset management approach
- ▶ Looking for accretive acquisitions, developments and corporate opportunities

International expansion

- ▶ Developed markets – Spain & United Kingdom
- ▶ Predominately focused on retail but will evaluate other sectors
- ▶ Looking to invest into a holistic property strategy and create capacity on the ground with local market knowledge
- ▶ Atlantic Leaf platform for growth in United Kingdom
- ▶ Actively evaluating a retail portfolio in Spain

Conservative balance sheet management

- ▶ Disciplined and conservative financial management with stable LTV target around 35%
- ▶ Prudent interest rate policy to hedge at least 75% of debt
- ▶ Foreign exchange hedging policy to minimise adverse foreign exchange fluctuations by hedging forward on average 75% of foreign dividends by way of forward currency swaps over a 3 year period

Consistent delivery of earnings growth and capital return to shareholders

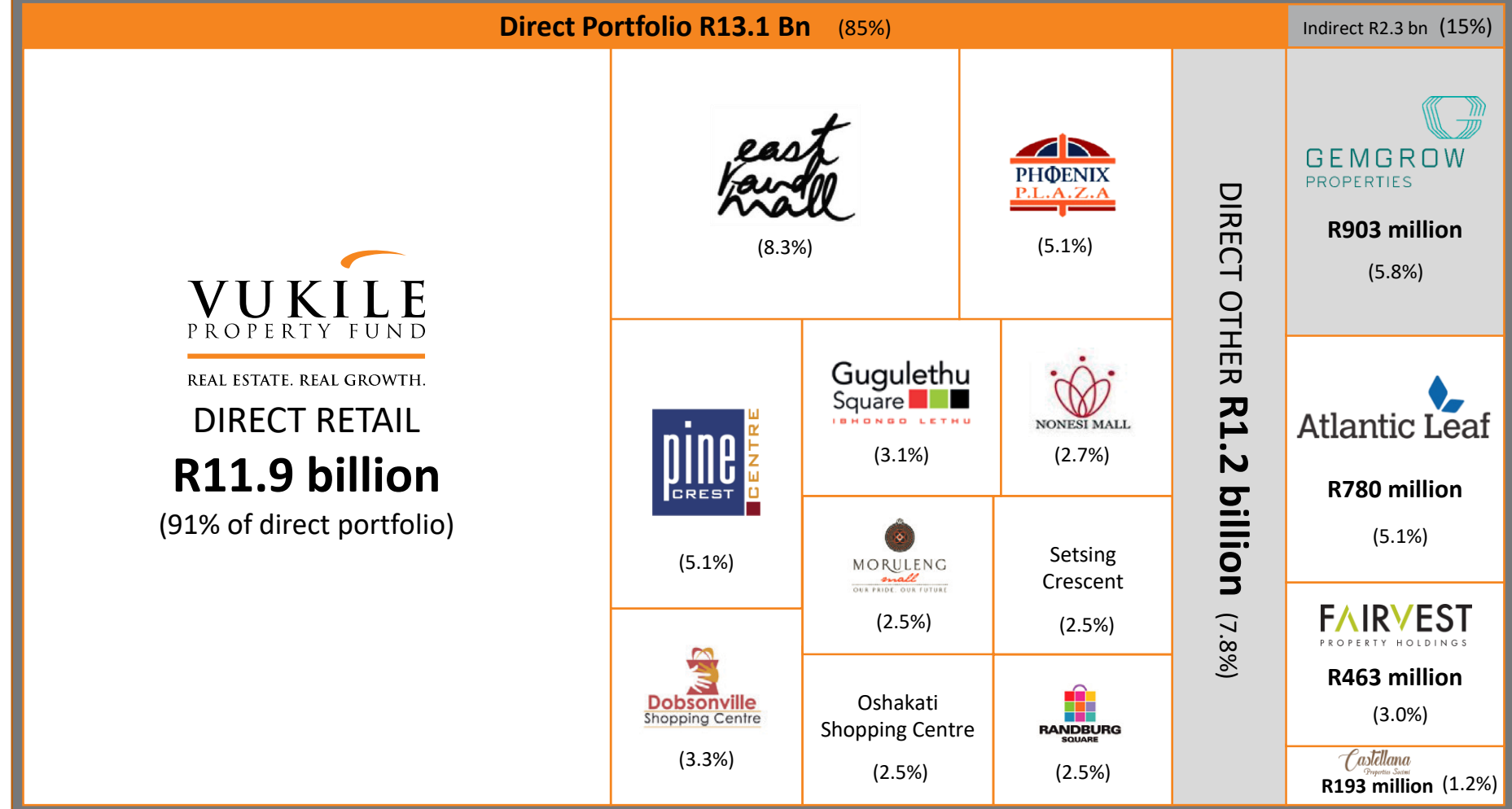
- ▶ FY2018 a year of settling of the transformation into a Retail REIT
- ▶ If the current opportunities being explored are concluded as expected, Vukile expects to deliver growth in dividends of between 7 and 8% for the year ahead
- ▶ Expect higher growth thereafter off a strong platform backed by quality South African portfolio and implementation of International expansion

Strategic direction

Transformation into a Retail REIT – setting the scene



Total Assets Under Management R15.4 Bn



(%) Percentage of Total AUM
 Note: Image drawn to scale



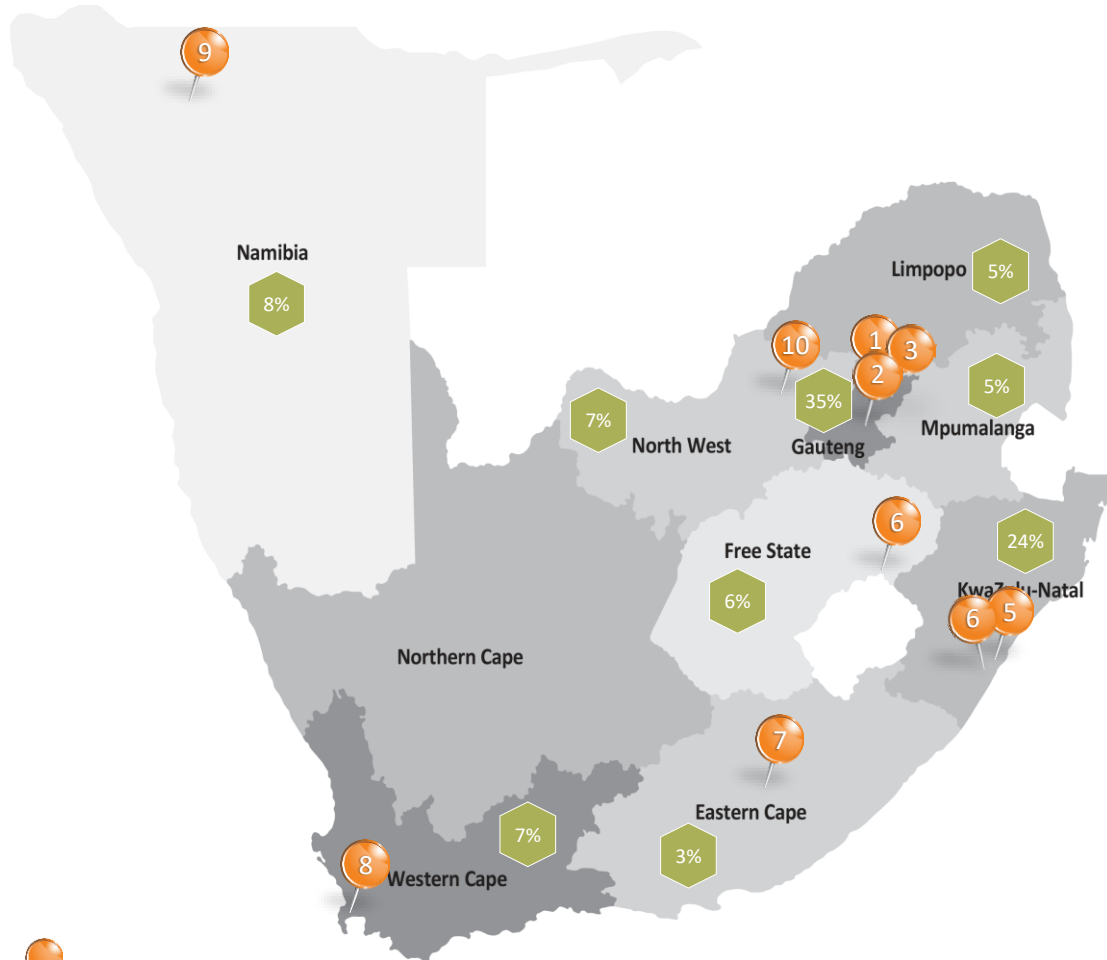
Retail Portfolio Overview

Ina Lopion



Our retail footprint

Retail portfolio profile



Top 10 Properties



Retail Geographic Profile by Market Value

▶ Retail Property Portfolio Value	R11.9bn
▶ Top 10 Asset Percentage of Retail Portfolio	49%
▶ Average Value per retail property	R264m
▶ Average Discount Rate	13.9%
▶ Average Exit capitalisation rate	9.0%
▶ Number of retail properties	45
▶ GLA	795 026 m²
▶ Footfall	> 120mil customer visits

- 1 East Rand Mall
- 2 Dobsonville Mall
- 3 Randburg Square
- 4 Pine Crest
- 5 Phoenix Plaza

- 6 Setsing Crescent
- 7 Nonesi Mall
- 8 Gugulethu Square
- 9 Oshakati Shopping Centre
- 10 Moruleng Mall

Creating a high quality low risk retail portfolio

Interrelationship of key retail metrics



High quality retail assets

Top 10 assets










	East Rand Mall	Phoenix Plaza	Pine Crest	Dobsonville Shopping Centre	Gugulethu Square
					
GAV	R1 277m	R791m	R786m	R513m	R480m
 Region	Gauteng	KwaZulu-Natal	KwaZulu-Natal	Gauteng	Western Cape
 Gross Lettable Area	69 424m ²	24 351m ²	40 087m ²	23 236m ²	25 322m ²
 Monthly Rental	R250/m ²	R242/m ²	R152/m ²	R133/m ²	R143/m ²
 National Tenant exposure	89%	80%	92%	87%	90%
 Vukile Ownership	50%	100%	100%	100%	100%
 Approx. Footfall	11.1 million	9.4 million	11.2 million	9.8 million	10.5 million
 Vacancy	3.8%	1.5%	2.3% *	Fully Let *	Fully Let

* Excluding development vacancy

High quality retail assets

Top 10 assets (cont.)



	Nonesi Mall	Moruleng Mall	Oshakati Shopping Centre	Setsing Crescent	Randburg Square
GAV	R421m	R394m	R390m	R385m	R380m
 Region	Eastern Cape	North West	Namibia	Free State	Gauteng
 Gross Lettable Area	28 147m ²	31 421m ²	24 632m ²	21 538m ²	40 767m ²
 Monthly Rental	R119/m ²	R111/m ²	R124/m ²	R125/m ²	R95/m ²
 National Tenant exposure	96%	83%	94%	97%	85%
 Vukile Ownership	100%	80%	100%	100%	100%
 Approx. Footfall	7.0 million	3.6 million	Open Mall	Open Mall	7.1 million
 Vacancy	1.0%	2.3%	0.3%	Fully Let *	6.9%

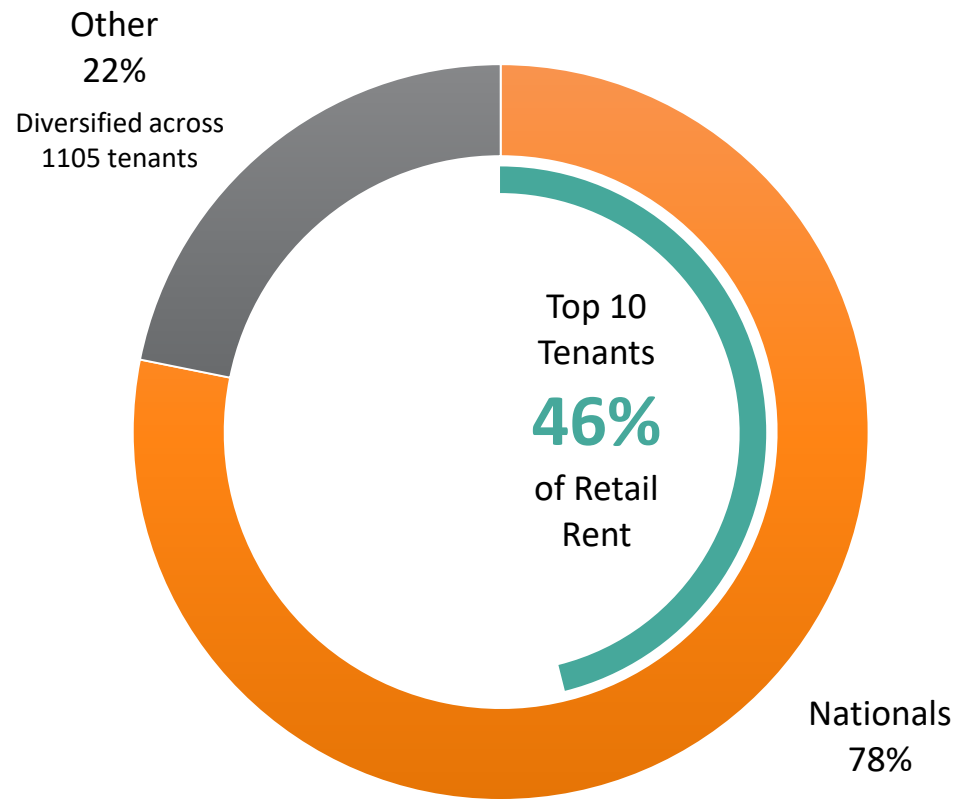
* Excluding development vacancy

Retail tenant exposure

Low risk with c.80% national tenants

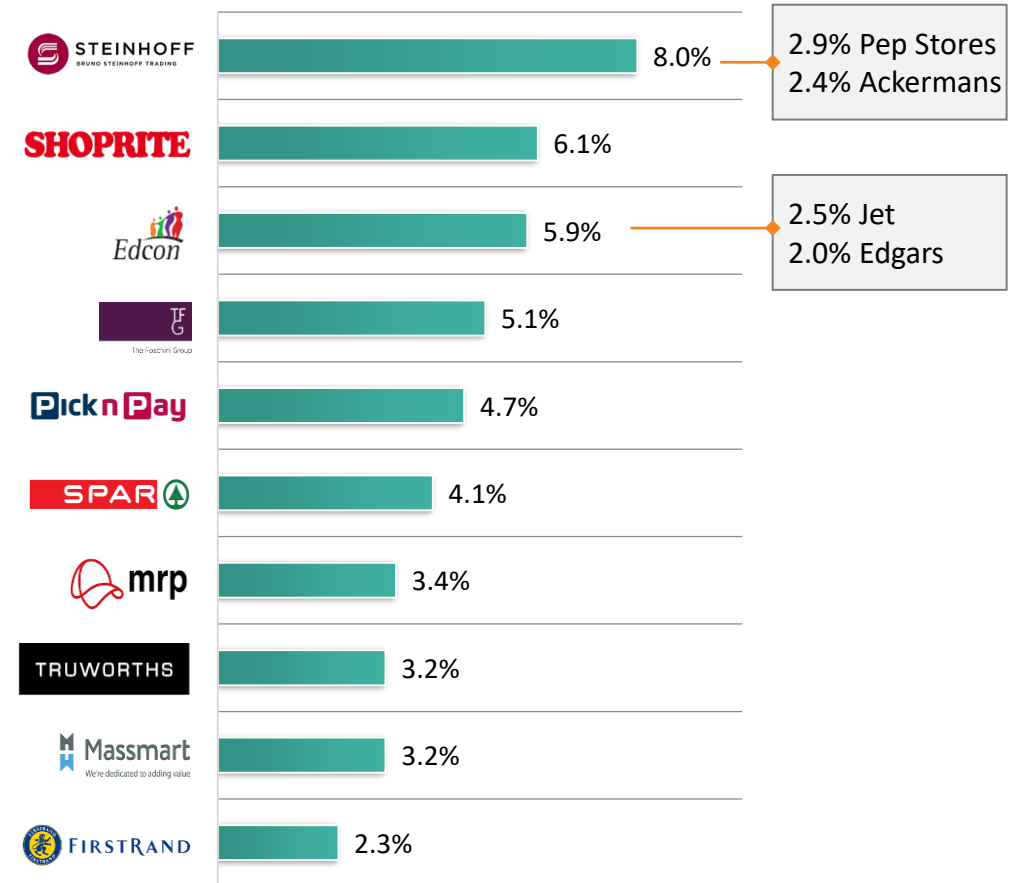


Tenant Profile - by Contractual Rent



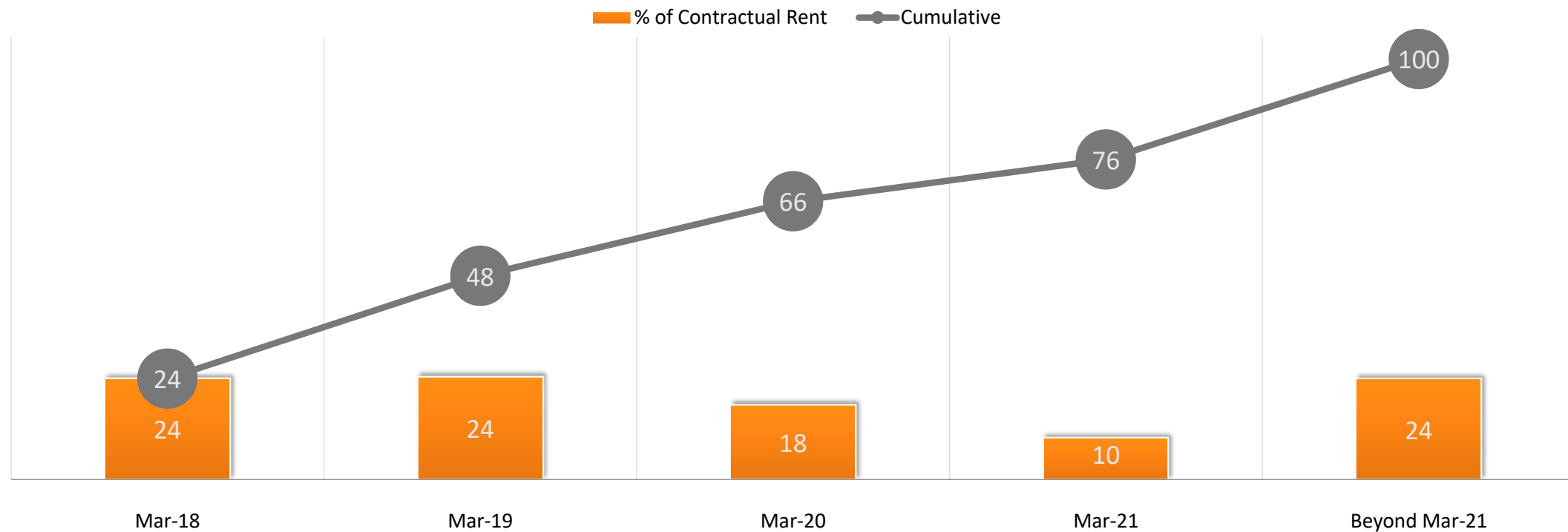
Note: Portfolio as at 31 Mar 17 – Excluding Thohoyandou Thavhani Mall

Top 10 Tenants by Rent



Retail tenant expiry profile

52% of contractual rent expiring in 2020 and beyond (WALE 3.6 years)



For the 12 months ended 31 March 2017 Retail leases were concluded with:

- ▶ Total contract value R1 150 million
- ▶ Total rentable area 142 118m²
- ▶ Retail Tenant Retention 84% with almost all tenant vacancies being replaced with new tenants

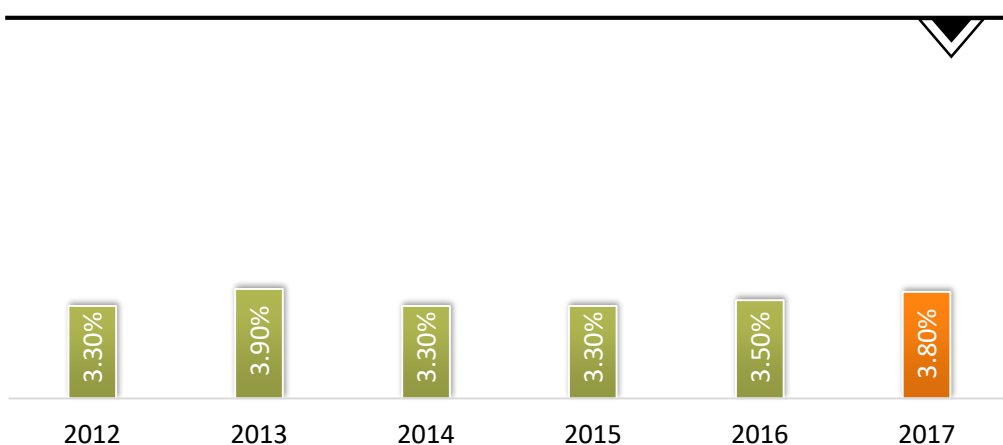


Retail tenant affordability

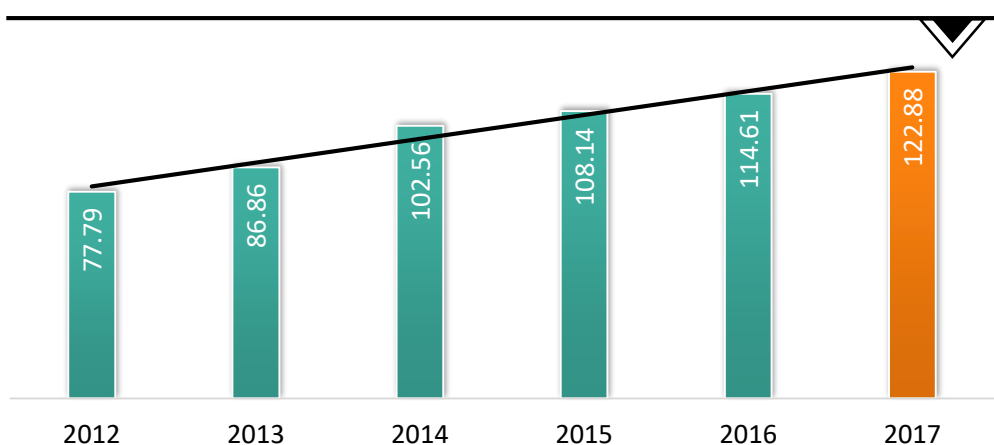
Consistently strong metrics



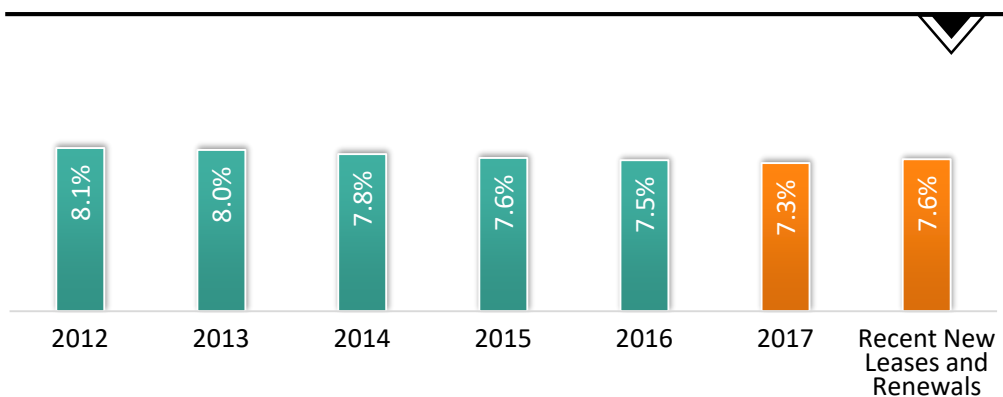
Retail Vacancy Profile (by GLA excl. developments)



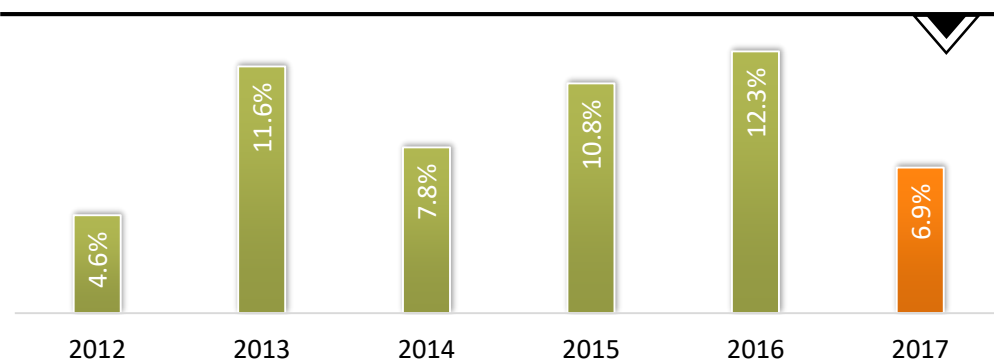
Retail Average Base Rentals (excl. Recoveries)



Retail Contractual Escalations



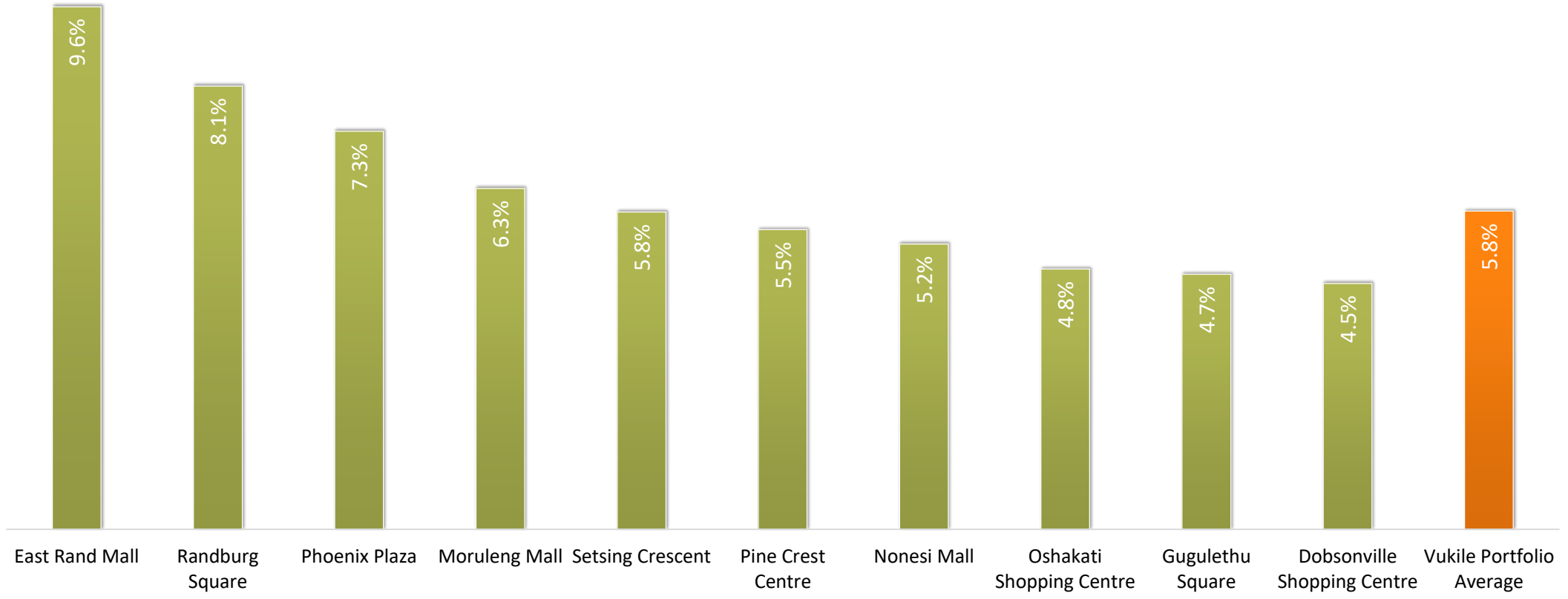
Retail Rent Reversions



Note: Portfolio as at 31 Mar 17 - Excluding Thohoyandou Thavhani Mall. Historic data per Company Annual Results.

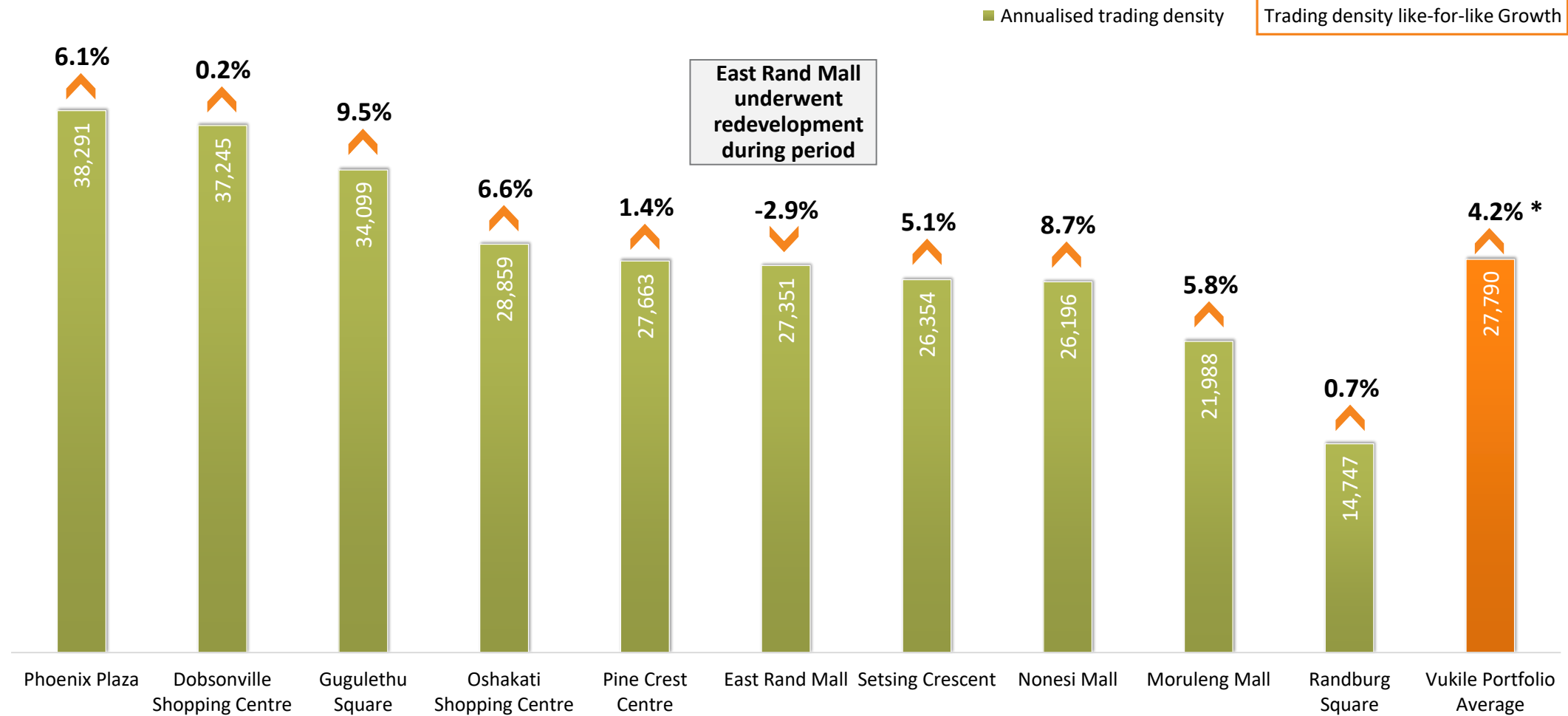
Rent-to-sales ratio

Ahead of industry benchmarks



Retail portfolio trading statistics by Top 10 properties

High trading density with solid growth

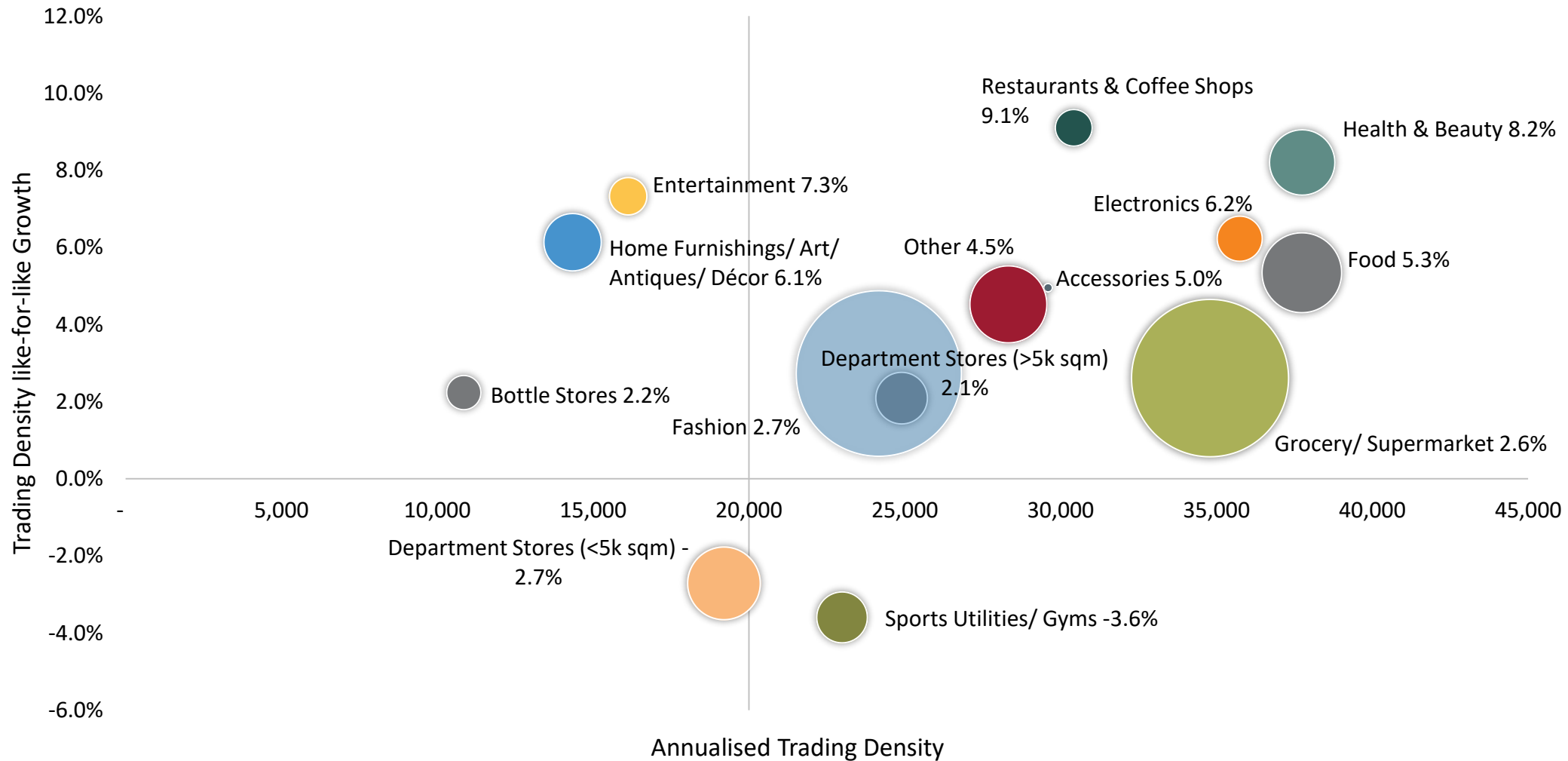


* Excludes Bedworth Centre, otherwise 3.1%

Note: Annualised Trading Density calculated using Monthly Trading Density over 12 months. Trading Density like-for-like Growth calculated on stable tenants.

Retail portfolio trading statistics by category

Solid growth where it matters most



Note: Annualised Trading Density calculated using Monthly Trading Density over 12 months. Trading Density like-for-like Growth calculated on stable tenants.

Retail insights

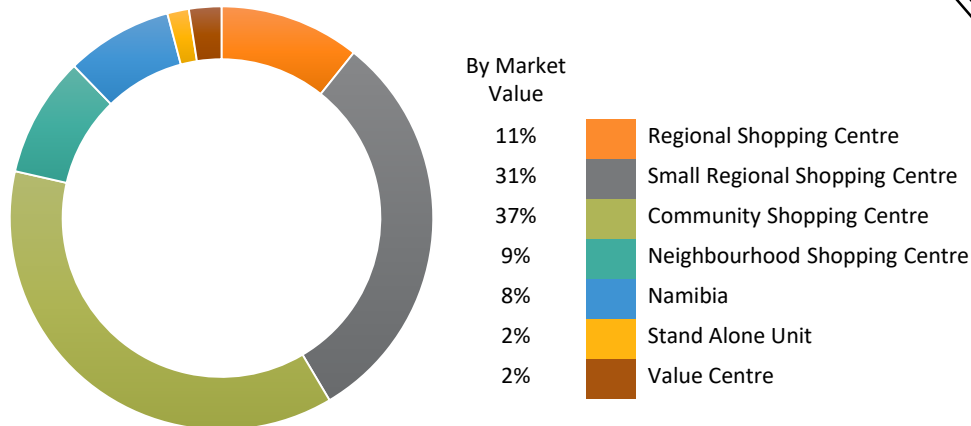
Understanding community centres



Segment Focus

- ▶ 37% of retail properties within our portfolio are made up of community centres
- ▶ Community centres' Trading Density like-for-like Growth of 6.4% is one of the better performing segments within our portfolio
- ▶ Vacancies decreasing to 4.0% as segment offers a competitive cost of occupancy
- ▶ Spend per head has increased while footcount has remained stable, highlighting better quality tenants providing quality retail to the right shopper

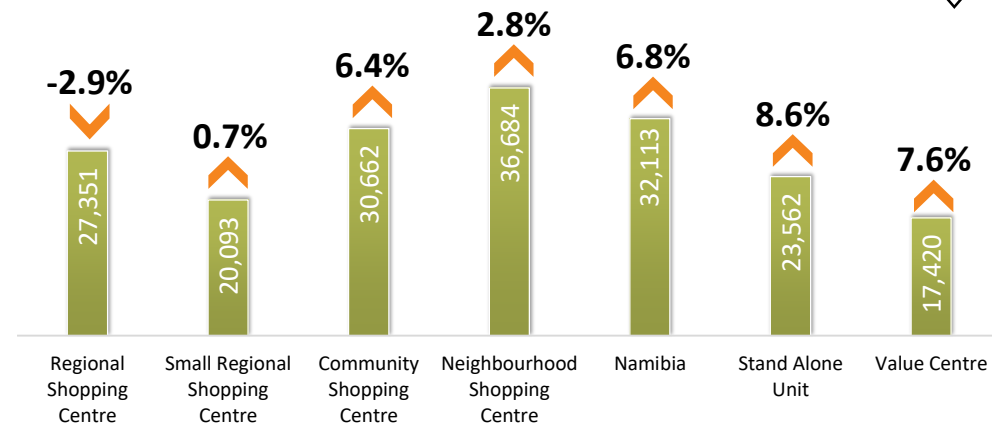
Segmental Profile - by Market Value



Tenants Focus

- ▶ National tenants are increasing scope of brands into this segment
- ▶ More local traders and entrepreneurs looking for formalized retail space within these malls
- ▶ These centres now offer comprehensive and diverse tenant mix across retail categories

Retail Portfolio Trading Statistics by Segment



Creating a high quality low risk retail portfolio

Interrelationship of key retail metrics





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Optimising Asset Performance

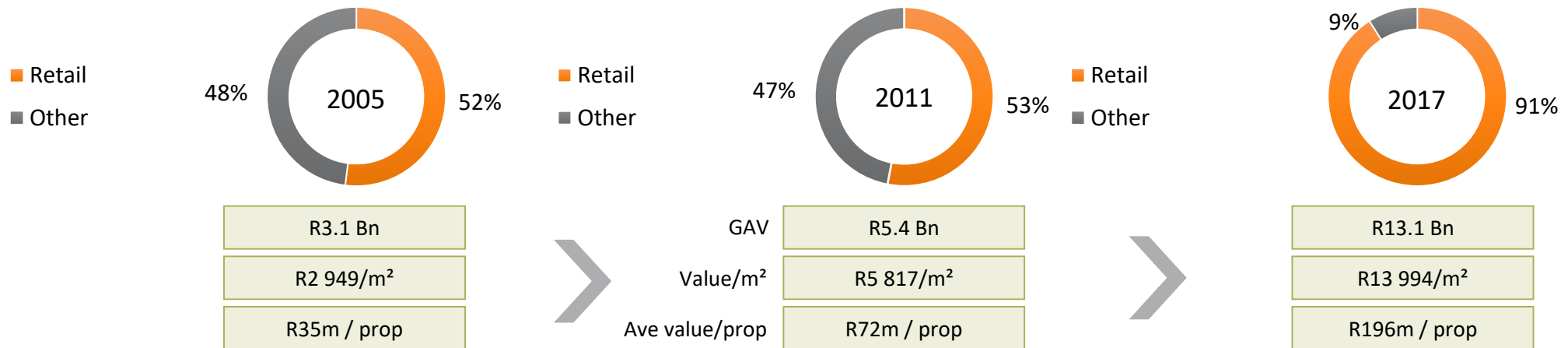
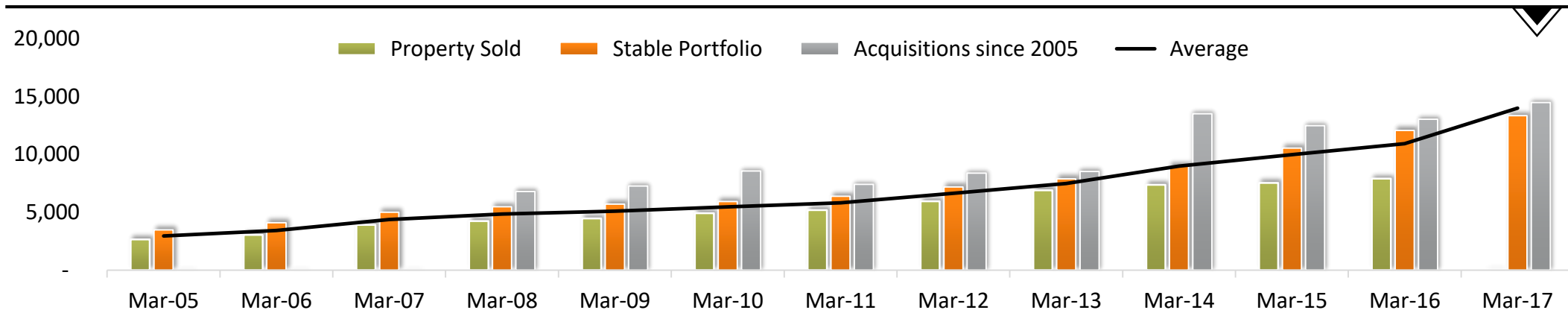
Ina Lopion

Strong operational focus on asset management

Consistently repositioning and proactively enhancing our portfolio



Total Portfolio Market Value per m²



Active asset management

Quantitative approach

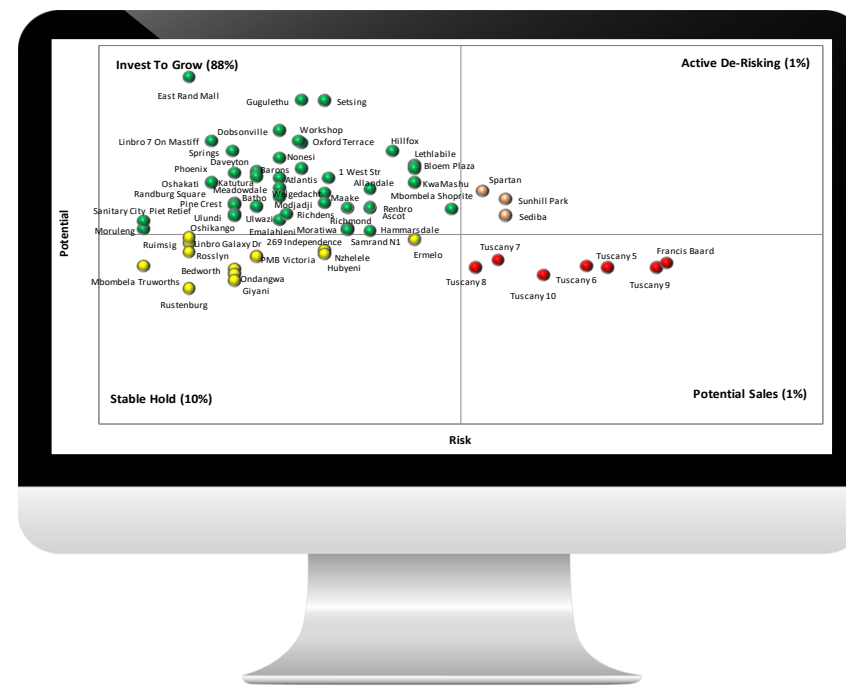
- ▶ Each asset underwritten annually
- ▶ Multivariate risk potential model

Total Portfolio (31 March 2012)



- ▶ Driver of asset management strategy

Total Portfolio (31 March 2017)



Completed redevelopment

East Rand Mall, Boksburg

- ▶ East Rand Mall together with the adjacent East Point are the dominant shopping destination in the East Rand. Demand for more space from existing fashion retailers highlighted the need for a redevelopment
- ▶ Introduction of 30 new brands into the centre and the scope included
 - additional GLA of 6 540m² and accommodation of H&M, upgrade of food court, undercover parking deck, PV plant and backup generators, shopfronts, floors & ceilings



Location	GLA
Johannesburg, Boksburg	Increased to 69,424m ²
Vukile Share	Total Capex
50%	R230m
Footfall per month	Annualised Trading Density
c. 1 million	R27 351/m ²
Completion Date	Vacancy
January 2017	3.8%



Completed redevelopment

Durban Workshop, Durban CBD

- ▶ Vukile acquired Durban Workshop in 2012. Prior to its acquisition, it was identified as a property to be upgraded as there was potential to improve the tenant mix and the rental income
- ▶ It had not been upgraded since its completion in 1987
- ▶ Future city plans to benefit the centre:
 - Go Durban, R500m library upgrade
- ▶ Tenant mix strengthened by including 13 new tenants:
 - Pep Stores, Dunns, Ackermans, McDonald's and KFC



Location	GLA
Durban CBD	20,030m ²
Scope	Total Capex
Ceilings, food court, ablutions	R75m
Footfall per month	National Component
c. 1.2 million	73%
Completion Date	Vacancy
February 2017	0.4%



Completed development

Springs Mall, Springs

- ▶ New regional mall in the heart of Springs in Eastern Gauteng
- ▶ Completed as scheduled in March 2017
- ▶ Caters to 69 000 high-LSM households
- ▶ Pre-funded and earnings accretive from day one
- ▶ Strong demand from national retailers
- ▶ Partnership between Flanagan & Gerard, Vukile and local partners



Location	GLA
Springs	48,224m ²
Vukile Stake	Acquisition Price
25%	R260m
Guaranteed Initial Yield	National Component
8%	88%
Completion Date	Vacancy
March 2017	1.6%



New development in progress

Thavhani Mall, Thohoyandou

- ▶ New regional mall in the heart of Thohoyandou, Limpopo
- ▶ Caters to a high-growth node with over 87 000 households
- ▶ Pre-funded and earnings accretive from day one
- ▶ Strong demand from national retailers
- ▶ Partnership between Flanagan & Gerard, Vukile and local partners



Location	GLA
Thohoyandou	50,000m ²
Vukile Stake	Acquisition Price
33%	R350m
Guaranteed Initial Yield	Expected Initial Yield
8%	> 8%
Expected Opening Date	Letting
August 2017	>90% let



Redevelopment in progress

Dobsonville Shopping Centre, Soweto

- ▶ Redevelopment to cater to centre with strong trading density of R37,245/m² per annum
- ▶ New mall, food court and improved tenant mix is being added to the centre
- ▶ Tenants in the expansion include: Clicks, Foschini, Pick n Pay, PQ Clothing and PEP Home
- ▶ New & Improved Tenants in Existing Mall – Expansion of Mr. Price & Truworths, Exact, Identity, Sport Scene, Side Step



Location	Additional GLA
Soweto	6,738m ²
Scope	Total Capex
Food court, improve tenant mix	R114m
Commencement Date	Projected Yield on Capex
July 2016	9.5%
Completion Date	Letting
August 2017	Fully Let *

* Excluding development vacancy



Future redevelopment

Setting Crescent, Phuthaditjhaba

- ▶ Redevelopment to cater to nationals with exceptional trading densities of greater than R40,000/m² per annum who wish to expand their footprints
- ▶ Centre will be the largest in the town
- ▶ Pick n Pay will be introduced as a second food anchor
- ▶ The trade area consists of 82 000 households
- ▶ Flanagan & Gerard to handle development management



Location	Current GLA
Phuthaditjhaba	21,538m ²
Additional GLA	Total Capex
12,340m ²	R338.0m
Commencement Date	Projected Yield on Capex
June 2017	>8.5%
Completion Date	Letting
September 2018	75% committed by nationals



Acquisition

Pine Crest

- ▶ Vukile acquired the remaining 50% share of Pine Crest Shopping Centre, located in Pinetown, Kwa-Zulu Natal.
- ▶ The centre is a 40 087m² regional shopping centre with an average footfall of 930 000 per month.
- ▶ Anchor tenants include Game, Pick n Pay, Woolworths and a new Dis-Chem which will be introduced in July 2017.
- ▶ The 50% stake was purchased for R407 million at an initial yield of 8.6% and transferred in March 2017.



Location	GLA
Pinetown Kwa-Zulu Natal	40,087
Initial yield	Acquisition price (50%)
8.6%	R407.0m
Footfall per month	Annualised Trading Density
c. 930 000	R27 663/m ²
National Tenant Component	Vacancy
92%	2.3%



Energy management

Achievements FY2017

- ▶ 1.8 Million kWh sustainable electricity savings per annum
- ▶ Further R3m saved through billing & metering optimisation
- ▶ Tariff optimisation R0.84m annually
- ▶ Installed PV capacity of 1.5 MW
- ▶ Over 600 smart meters installed
- ▶ Water recovery improvements of more than R900 000



Targets for the next 12 months:

- ▶ Electricity Tariff changes and billing improvements resulting in annual savings of more than R1.3 m
- ▶ Energy savings of a further 1.6 million kWh
- ▶ Increasing PV capacity with 2 MW in 2017
- ▶ Water recovery improvements of R2m



Customer insights and alternative income management

Understanding our shoppers – creating a competitive advantage



Understanding the shopper

- ▶ Township and Rural markets not homogeneous – one size does not fit all
- ▶ Understand provincial, regional and nodal nuances – team part of pulse of the node
- ▶ Continuous research – analysis of shopper and household surveys, insights from opt-in promotions databases
- ▶ Community engagement strategy core – speak to aspirations while understanding frustrations
- ▶ In volatile environment – incorporating the community in mall operations
- ▶ Not just increase, but maximise on dwell time through in mall advertising, promotions, exhibitions etc.

Shopper insights determine tenant mix strategy

- ▶ Communicate primary and secondary research insights with retailers in deal making
- ▶ Leverage relationships to attract desired tenant mix suitable for our shoppers
- ▶ Structure deals differently – turnover rentals vs. base rentals
- ▶ Focus on tenants with non-cyclical and non-discretionary merchandise to maintain longevity

Alternative Income Strategies

- ▶ Developing inhouse capability to drive Alternative Income Management
- ▶ Optimising court space
- ▶ In and out of mall media
- ▶ Digitising malls in order to build a customer database

Financial Performance

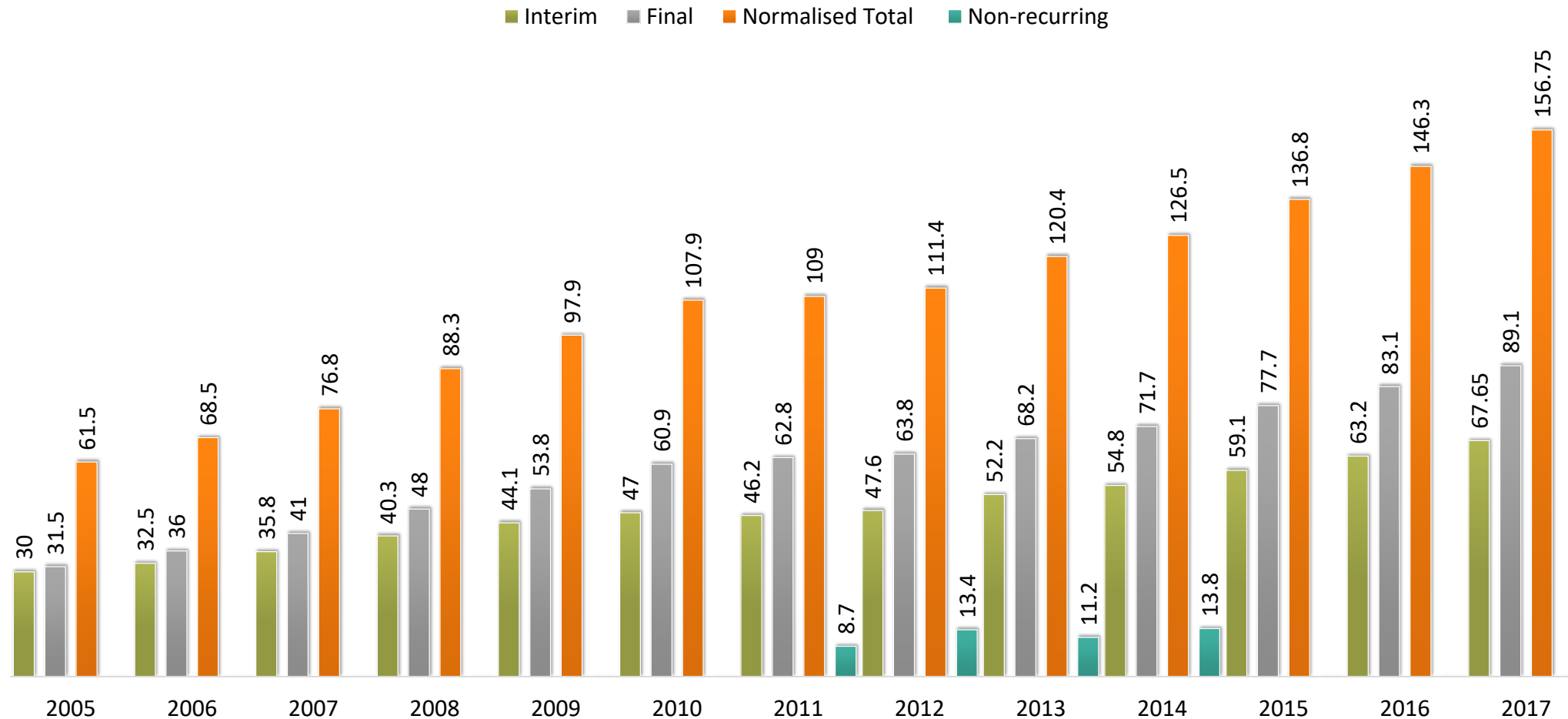
Mike Potts



Distribution history

Continuing trend of unbroken growth in distributions

Cents per share



Simplified income statement

> R1 Billion of distributable income

	Mar-17 R'000	Mar-16 ^(a) R'000	Variance %
Net profit from property operations excluding straight-line income adjustment	1 128 405	1 096 110	3.0
Income from asset management business and sundry income	14 984	15 034	(0.3)
Dividends received from Fairvest	34 179	7 626	348.2
Dividends received from Synergy/Gemgrow	52 842	33 189	59.2
Dividends received from Castellana Properties Socimi	2 486	0	>100
Interest and other income	98 657	90 083	9.5
Corporate and administrative expenses	(89 066)	(81 039)	9.9
Cost of acquiring a business combination	(66)	(1 230)	(94.6)
Finance costs	(314 002)	(304 780)	3.0
Taxation (including deferred tax on timing differences)	(9 497)	(9 701)	(2.1)
Realised profit on sale of Vukile Asset Management (Pty) Ltd	54 813	0	>100

Note: Dividends received during the year and dividends receivable post 31 March 2017 in respect of the year ended 31 March 2017 need to be evaluated together.

^(a) In the calculation of distributable earnings for the year ended 31 March 2016 the 20% non-controlling interest ("NCI") in Clidet no 1011 (Pty) Ltd was reflected separately. The prior year has been restated to exclude the NCI in the relevant line items to facilitate the comparison with FY17.



Simplified income statement (cont.)

> R1 Billion of distributable income



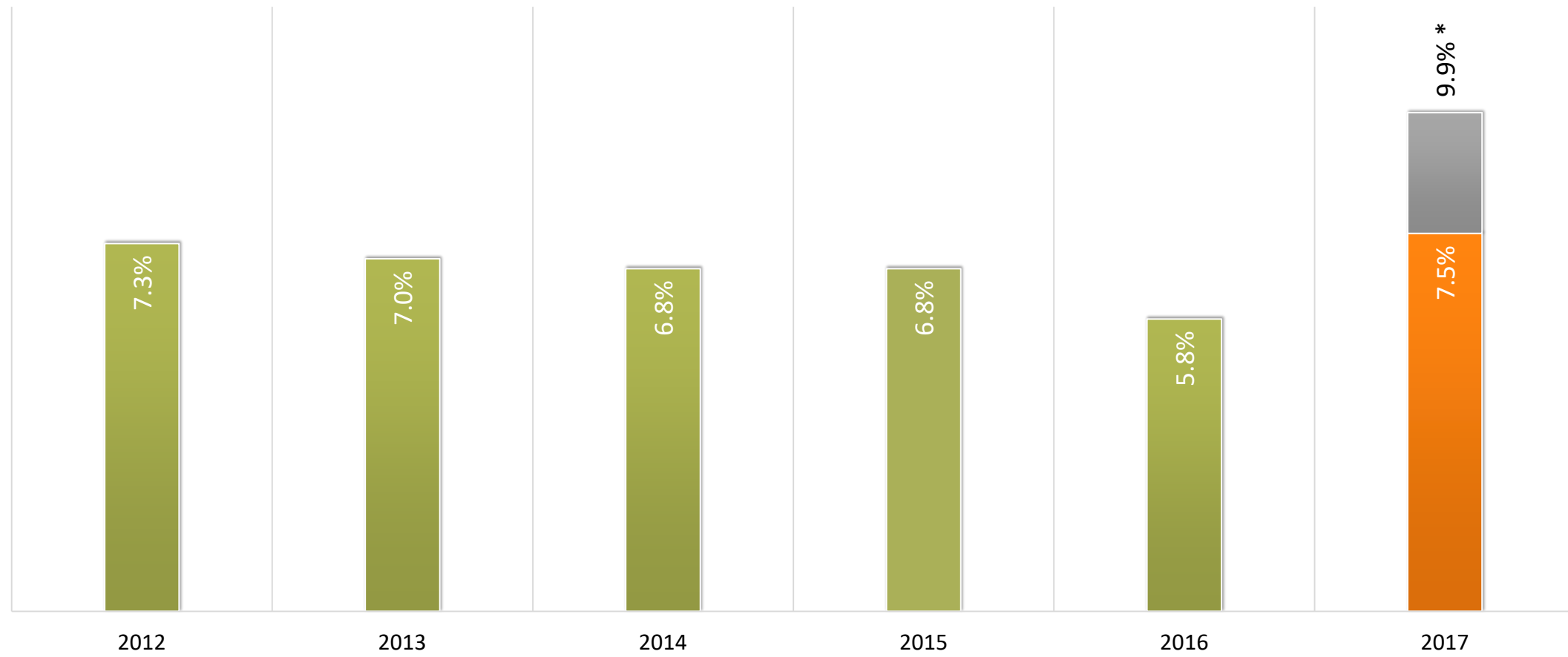
	Mar-17 R'000	Mar-16 ^(a) R'000	Variance %
Non-IFRS related adjustments			
Shares issued cum dividend	31 847	63 024	(49.5)
Dividends receivable from Fairvest	7 195	25 408	(71.7)
Dividends receivable from Gemgrow	22 674	32 847	(31.0)
Dividends receivable from Atlantic Leaf	67 336	20 511	228.3
Costs of acquiring business combinations	66	1 230	(-94.6)
Pre-acquisition dividends - Castellana	6 828	0	>100
Project management fees receivable from Sanlam	8 000	8 000	0.0
Available for distribution to Vukile shareholders	1 117 681	996 312	12.2

Note: Dividends received during the year and dividends receivable post 31 March 2017 in respect of the year ended 31 March 2017 need to be evaluated together.

^(a) In the calculation of distributable earnings for the year ended 31 March 2016 the 20% non-controlling interest ("NCI") in Clidet no 1011 (Pty) Ltd was reflected separately. The prior year has been restated to exclude the NCI in the relevant line items to facilitate the comparison with FY17.

Growth in net profit from property operations

Like-for-like growth of 9.9%

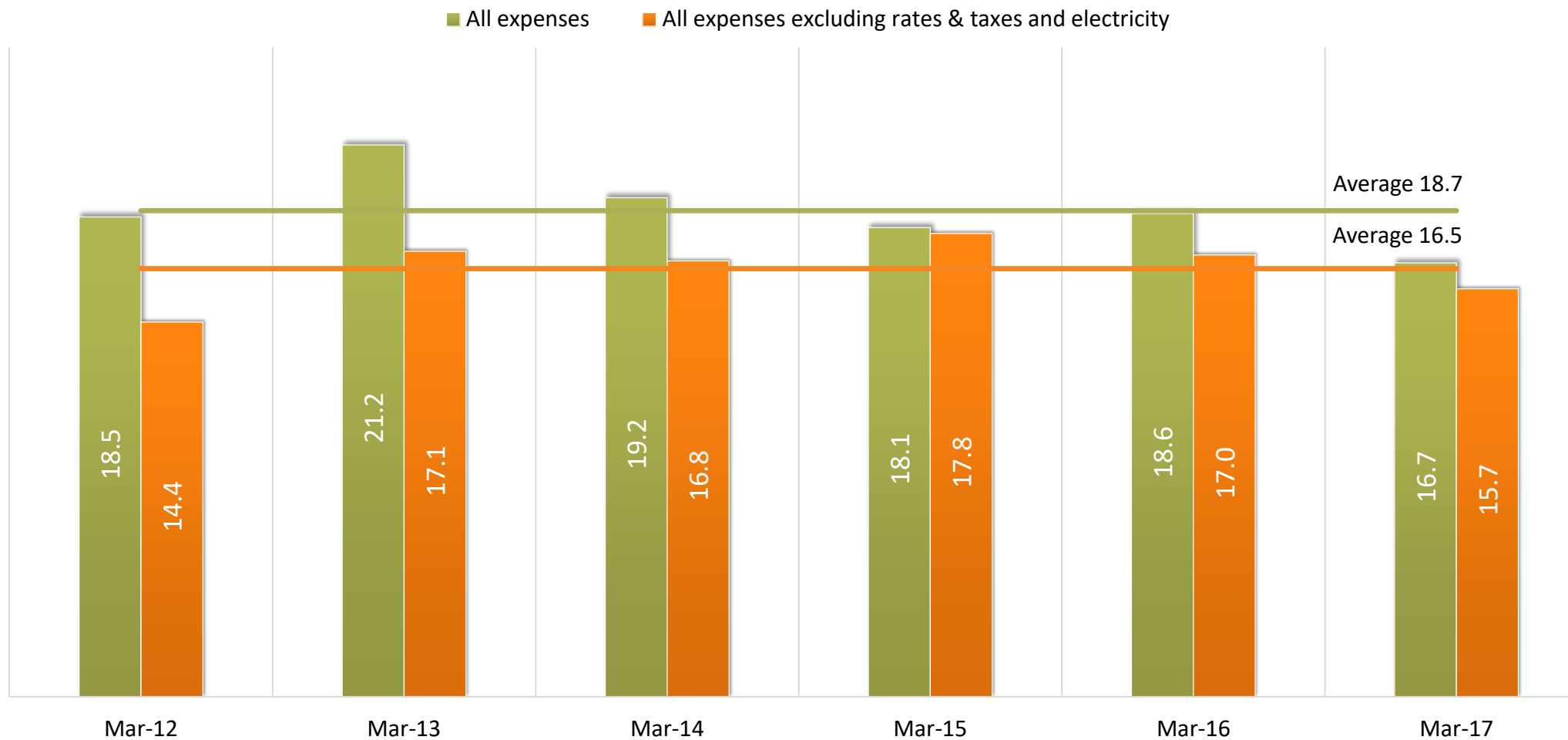


Note: Historic data per Company Annual Results.

* Actual like-for-like growth 9.9% includes once-off utility corrections, normalised like-for-like growth 7.5%

Ratio of net cost to property revenue

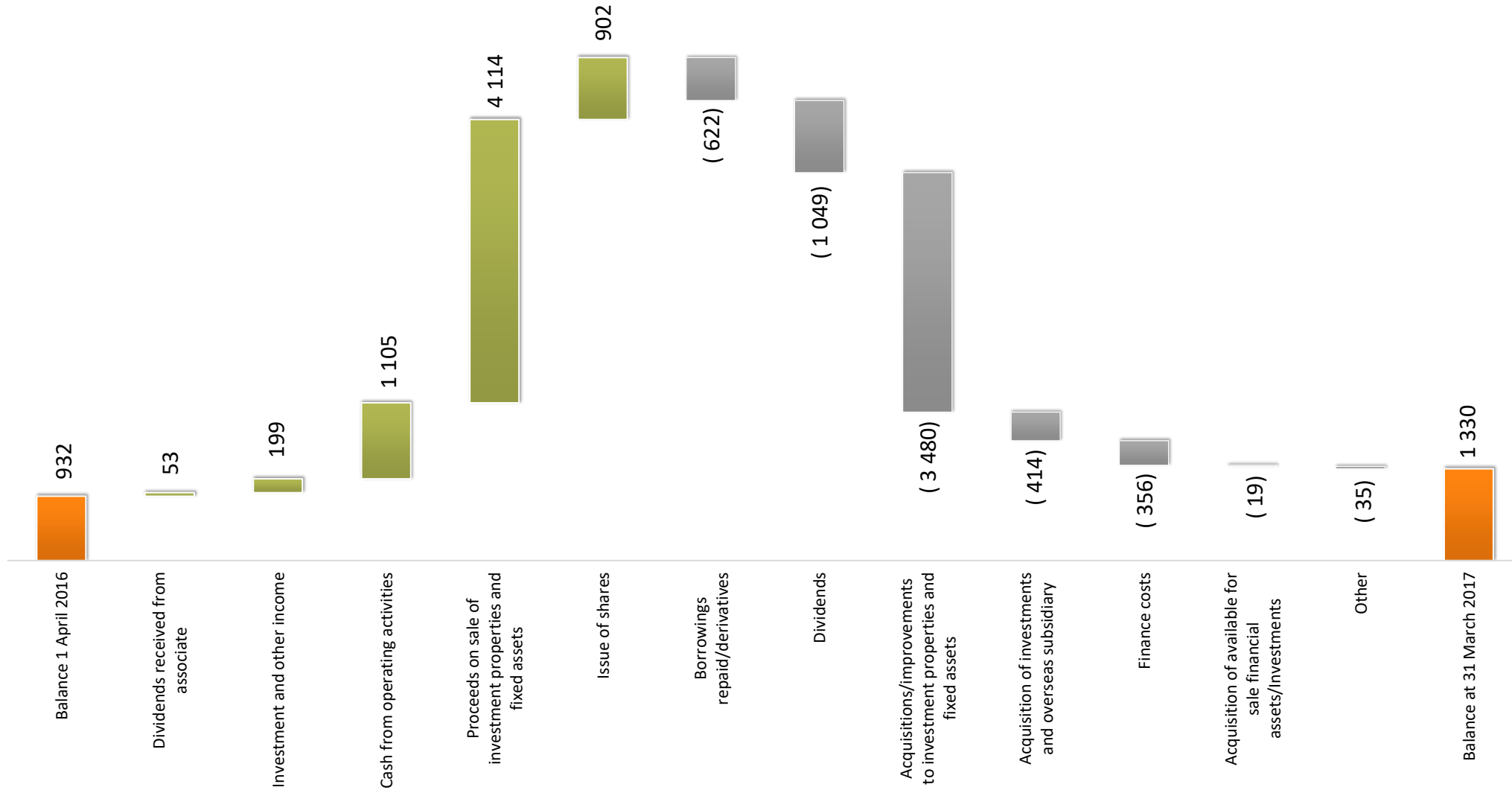
Improvement in cost ratios



Note: Stable portfolio excluding recent acquisitions and sales

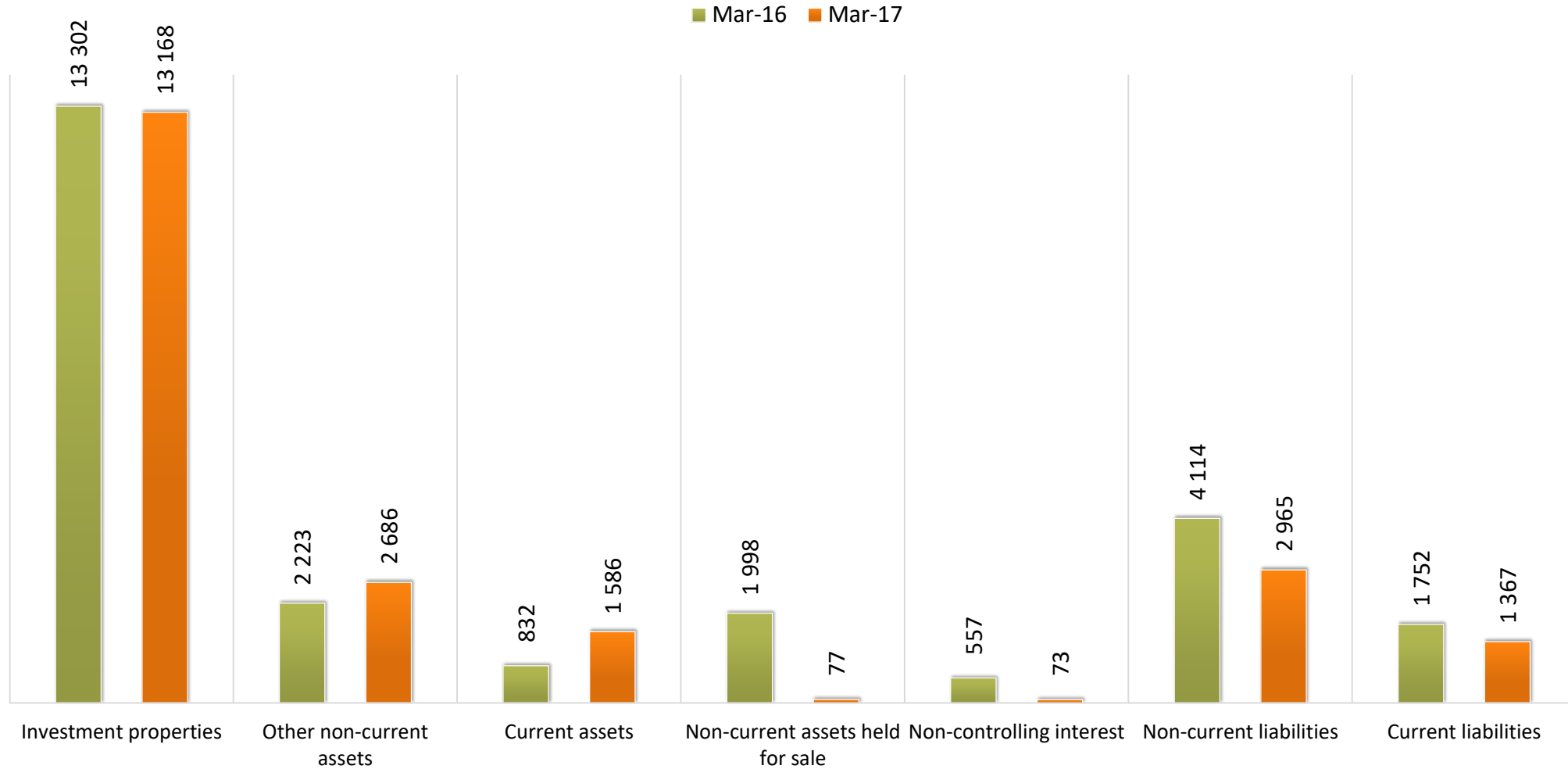
Group net cash flow – (R'm)

Summary of inflows and outflows



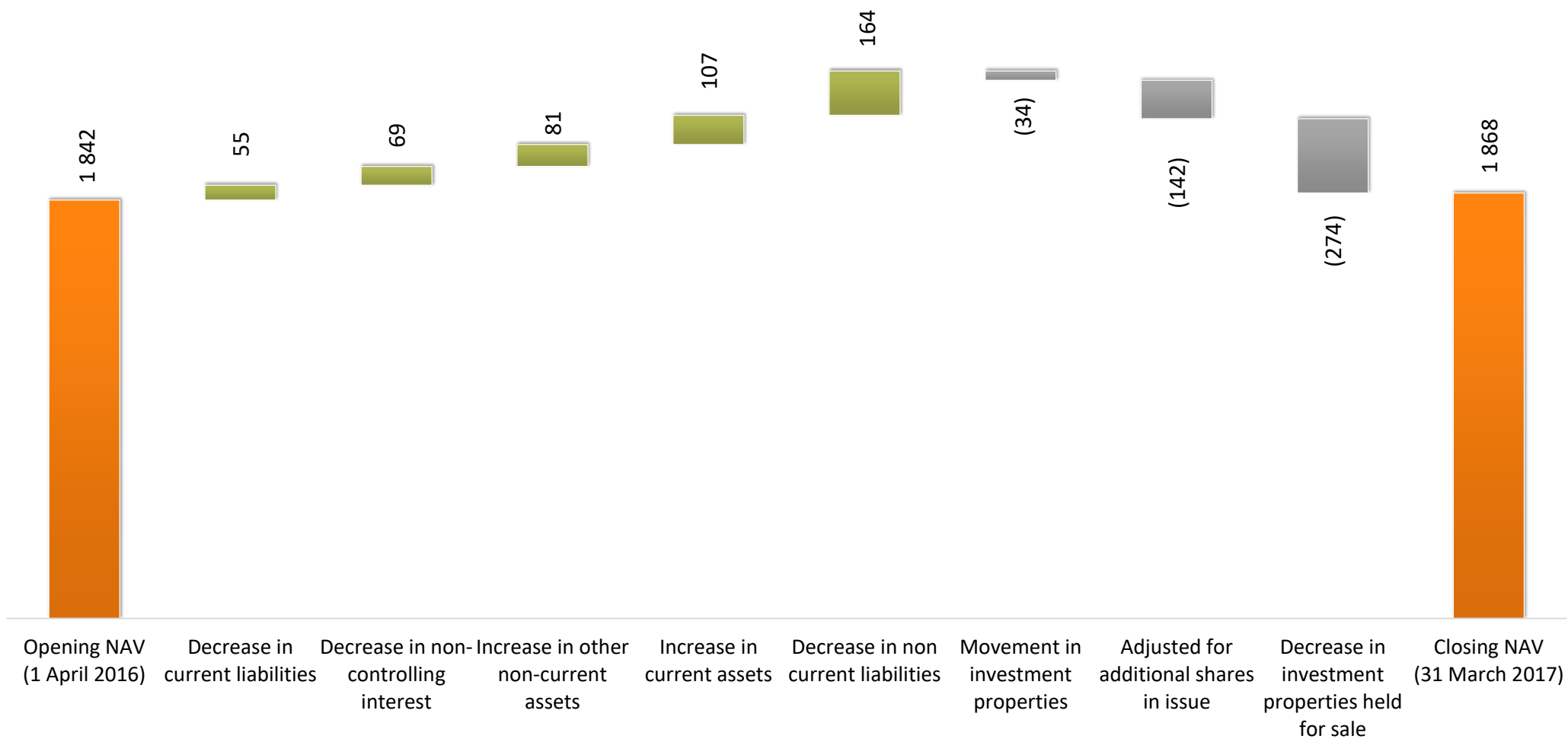
Group balance sheet – (R'm)

Assets and liabilities



NAV Bridge – (Cents)

NAV of 1 868 cps



Analysis of group debt

Well hedged with low risk expiry profile



	Policy	Actual
Maturities	No more than 25% of total interest bearing debt to mature within any one financial year	Achieved and constantly managed
Hedging strategy	75% of interest bearing debt to be hedged	95.1% *
Target bank versus debt capital market funding ratio	Diversified sources of funding	35% DMTN debt 65% bank debt
Multi-banked approach	Hold various facilities with multiple banks and lenders	Currently 5 funders + DMTN programme
LTV policy	Internal Management: Maximum LTV level of 40%	DMTN LTV 21.9% Corporate LTV 29.2%
LTV stress level margin	DMTN : Movement in property valuation from R3.7 Bn to R2.0 Bn, or a reduction of R1.7 Bn (45%) Banks : Movement in property valuation from R9.6 Bn to R6.4 Bn, or a reduction of R3.2 Bn (33%)	
Gearing ratio - Interest bearing debt/total assets	Policy relates to LTV level	23.0%

* Excluding development loans and Corporate Paper

Analysis of group debt (cont.)

Well hedged with low risk expiry profile



	Policy	Actual
Group interest cover ratio	Maintain > 2.0:1 times cover	Actual 3.64:1 times
ICR stress level Margin	Movement in net rental income from R1.247 Bn to R723m, or a reduction R524m (42%)	
Total cost of finance	Minimise while maintaining hedging and LTV policy	7.90%
Fixed rate (swap) maturity profile	Endeavour to allocate fixed rate debt to mature between 3 years and 5 years	3.4 years
Commercial Paper undertaking	Fully backed by the committed revolving credit facilities	Achieved
Rating	Maintain "A" rating for Company and "AA" in respect of secured notes	Long term rating A (Rating outlook Positive) and Short term rating A1 Secured long term rating AA+

Analysis of loan repayment and swap expiry profile

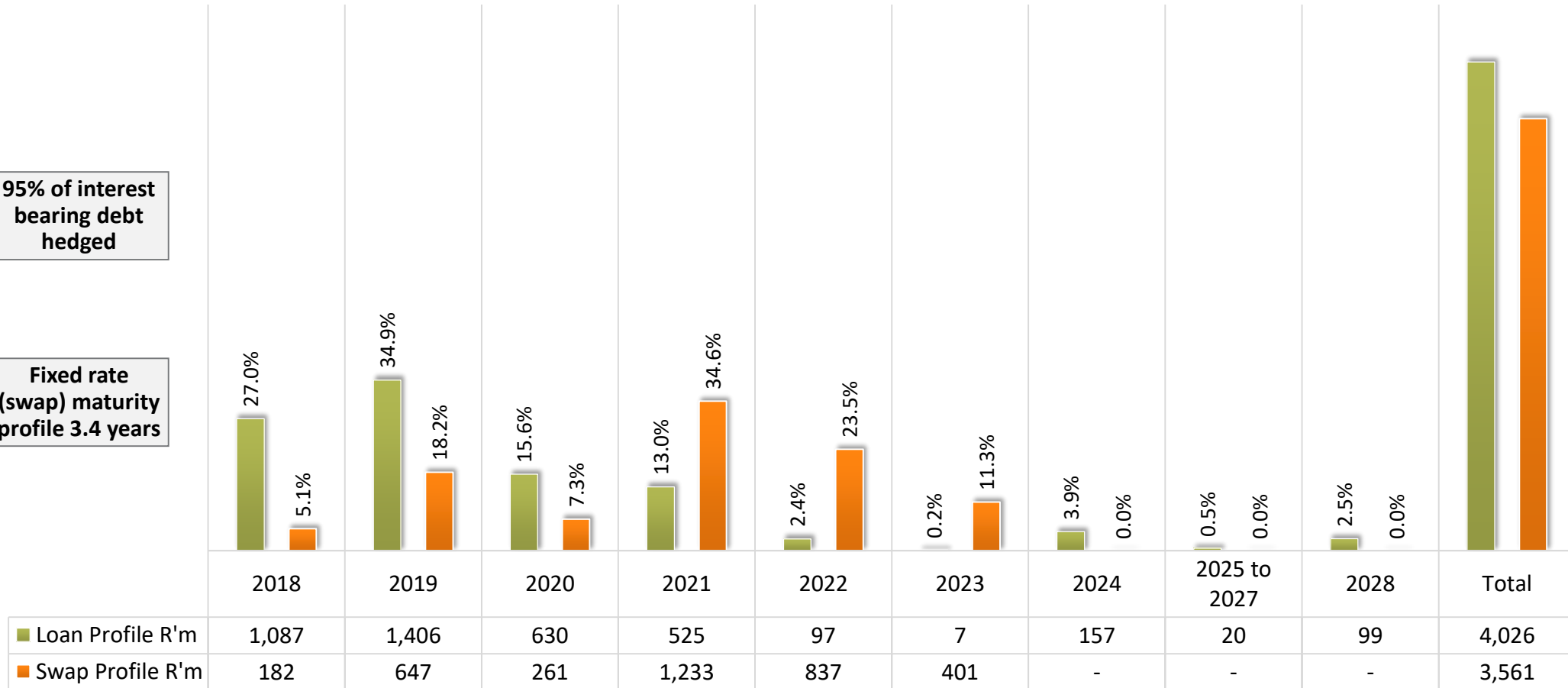
Well hedged with low risk expiry profile



Loan and Swap Expiry Profile

95% of interest bearing debt hedged

Fixed rate (swap) maturity profile 3.4 years



Note: Loan Profile includes R77m Commercial Paper issued to Vukile subsidiary in Nambia

Group debt profile

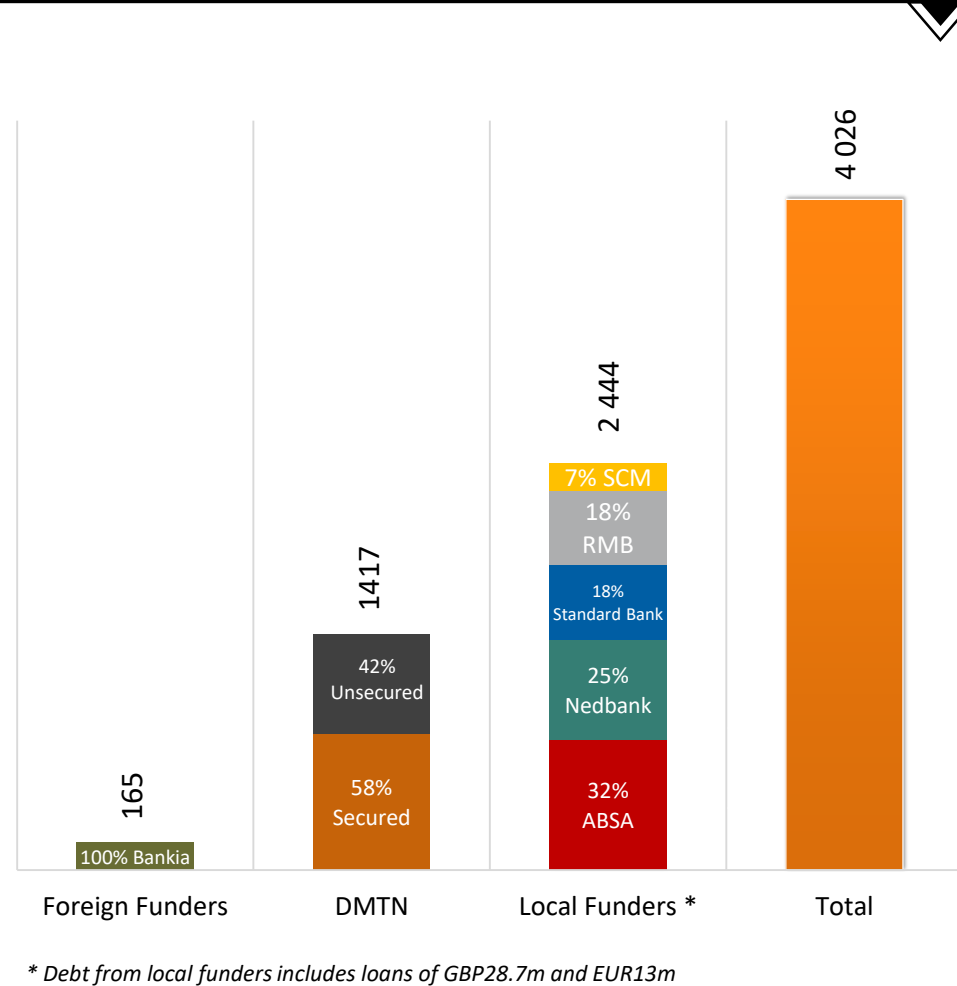
Diversified sources of funding



Group Debt by Currency



Sources of Group Debt



* Debt from local funders includes loans of GBP28.7m and EUR13m

Foreign exchange hedging policies

Continuing to maintain a conservative balance sheet



	Policy
Prudent approach	Minimise adverse foreign exchange fluctuations on Vukile's earnings, assets and liabilities
Reduce currency risk	Acquisition of foreign assets to be funded with foreign loans in same currency
Currency hedging strategy	On average 75% of foreign dividends to be hedged by way of forward currency swaps over a 3 year period
Interest rate hedging on foreign debt	75% of interest on foreign loans raised by Vukile to finance offshore acquisitions to be hedged

Treasury management

Conservative, well hedged and diversified balance sheet



Platform For Growth - New Horizons

Laurence Rapp



South Africa

Focus on retail



MACRO DYNAMICS

- ▶ Political Risk and low GDP Growth
- ▶ Interest Rate environment will remain volatile with credit downgrade
- ▶ Retail continues to be the most attractive sector through the cycle
- ▶ Limited retail stock results in upward price pressure
- ▶ Retail market reaching maturity



ONGOING FOCUS

- ▶ Remain focused on retail exposure
- ▶ Evaluating expansion opportunities in existing portfolio to ensure dominance and maximising asset potential
- ▶ Will explore acquisitions, developments and corporate opportunities if accretive
- ▶ MIS system continues to demonstrate benefits and assist Asset Management team in negotiations and repositioning of centres.
- ▶ Will continue to invest in our systems and team
- ▶ Remain cautious with low LTV and high hedging strategy

International - UK

Focus on logistics



MACRO DYNAMICS

- ▶ Brexit uncertainty over the short-term creates opportunity
- ▶ UK is the 5th largest Economy in World
 - Skilled workforce
 - Tourist destination
 - Central time zone
 - Solid consumer spending (23rd Largest GDP per capita)*
- ▶ Highly liquid and transparent real estate market
- ▶ Positive on Logistics, Industrial, Warehousing and Retail Parks



ATLANTIC LEAF

- ▶ 72% Logistics
- ▶ Diversified across the United Kingdom outside of London
- ▶ Long tenant lease profile with WALE of 11.6 years
- ▶ Primarily single tenanted assets with investment grade tenants – with no vacancies
- ▶ Distribution growth for FY2017 up 21% (in-line with guidance) with attractive real growth forecast for FY2018
- ▶ Vukile intends to continue supporting Atlantic Leaf's growth

* Source: The World Bank (December 2016)

International - Spain

Key area of growth



MACRO DYNAMICS

- ▶ Solid GDP Growth forecast for 2017 of 2.6% *
- ▶ Consumption Growth 3.3% ^
- ▶ Record number of tourists
- ▶ Declining unemployment
- ▶ Rentals still below pre-financial crisis levels
- ▶ Recent credit upgrade from S&P to BBB+ with positive outlook
- ▶ Preference for retail assets
 - Growth in base rental levels
 - Good trading metrics

POTENTIAL DEAL

- ▶ 100% Retail
- ▶ Properties spread across Spain
- ▶ Portfolio value c. EUR 200m
- ▶ Leverage c. 50% with cost of funding of c. 2%
- ▶ Vukile able to secure off-market transaction because of local partner relationships, strong balance sheet and entrepreneurial approach to deal making

* Source: IMF: World Economic Outlook (April 2017)

^ Source: BMI Research (Q2 2017)

Prospects

Positioned for strong long term growth

- ▶ Vukile is very **WELL POSITIONED** as a **DEFENSIVE, CONSERVATIVELY GEARED** and **MANAGED RETAIL REIT** able to navigate an increasingly fragile economic and political environment in South Africa
- ▶ **LOCAL FOCUS** will continue to be around accretive **EXPANSION** and **DEVELOPMENT OPPORTUNITIES** within its own portfolio and, where possible, through acquisitions
- ▶ Available resources of **R1.5 BILLION** earmarked for **INTERNATIONAL EXPANSION**
- ▶ Currently actively evaluating an **OPPORTUNITY IN SPAIN** which will diversify earnings stream and further enhance high-quality portfolio
- ▶ The **TIMING** of the investment will impact on the **GROWTH IN DISTRIBUTIONS** in the financial year ending 31 March 2018
- ▶ If the **CURRENT OPPORTUNITIES** being explored are concluded as expected, Vukile expects to deliver **GROWTH** in **DIVIDENDS** of between **7 to 8%** for the year ahead
- ▶ Strong **LONG TERM GROWTH** will be underpinned by its **WELL-POSITIONED SOUTH AFRICAN RETAIL REIT** platform and **INCREASED OFFSHORE EXPOSURE**



Acknowledgements



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

VUKILE
PROPERTY FUND

REAL ESTATE. REAL GROWTH.



THAVHANI MALL

Q&A



Appendix A

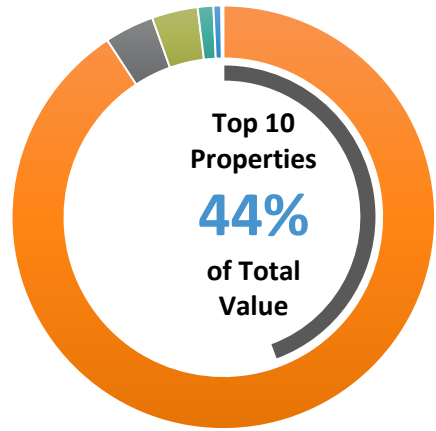
Company Property Overview

Company total portfolio composition

Top 10 assets make up c. 45% of the total portfolio



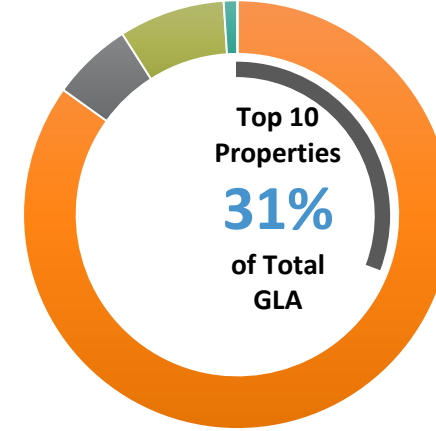
Geographic Profile - by Market Value



By Market Value

91%	Retail
4%	Offices
3%	Industrial
1%	Motor Related
1%	Residential
0.1%	Vacant Land

Geographic Profile - by GLA



By GLA

85%	Retail
6%	Offices
8%	Industrial
1%	Motor Related
0%	Residential
0%	Vacant Land

Sectoral Profile - by Market Value



By Market Value

40%	Gauteng
22%	KwaZulu-Natal
8%	Western Cape
7%	Namibia
6%	Northwest
5%	Free State
5%	Limpopo
4%	Mpumalanga
3%	Eastern Cape

Sectoral Profile - by GLA



By GLA

42%	Gauteng
18%	KwaZulu-Natal
6%	Western Cape
7%	Namibia
7%	Northwest
6%	Free State
6%	Limpopo
5%	Mpumalanga
3%	Eastern Cape

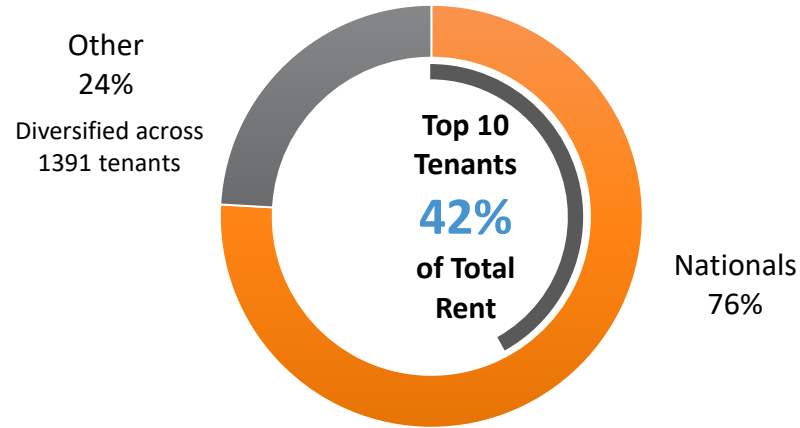
Note: Portfolio as at 31 Mar 17 - Excluding Thohoyandou Thavhani Mall

Company tenant exposure

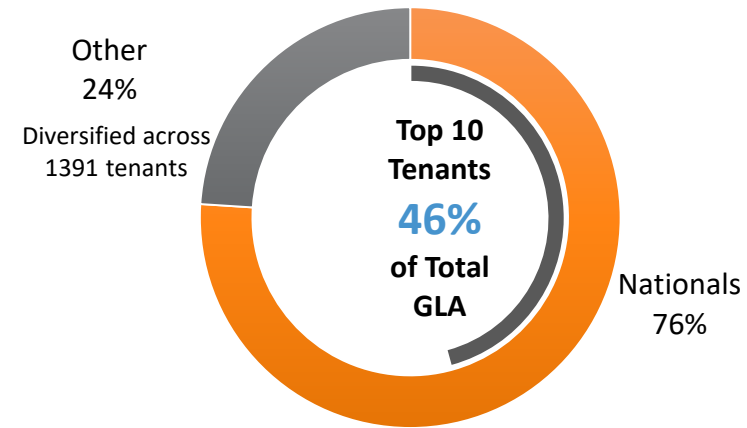
Low risk with 76% national tenants



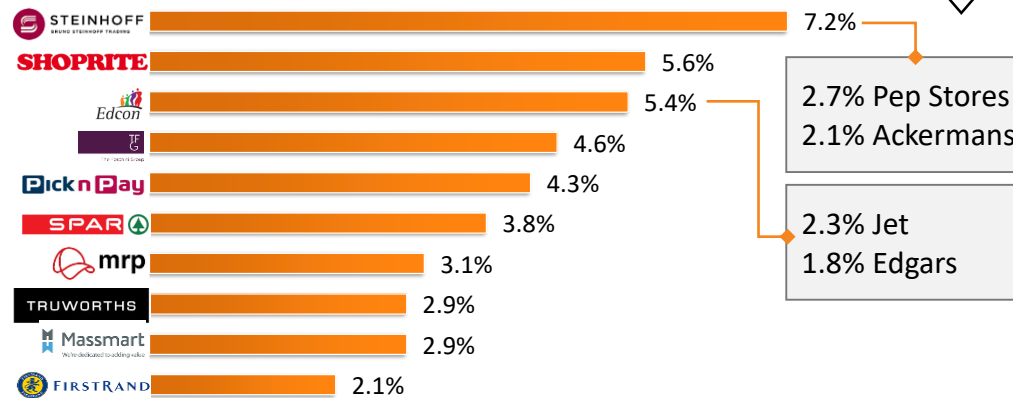
Top 10 Tenants by Contractual Rent



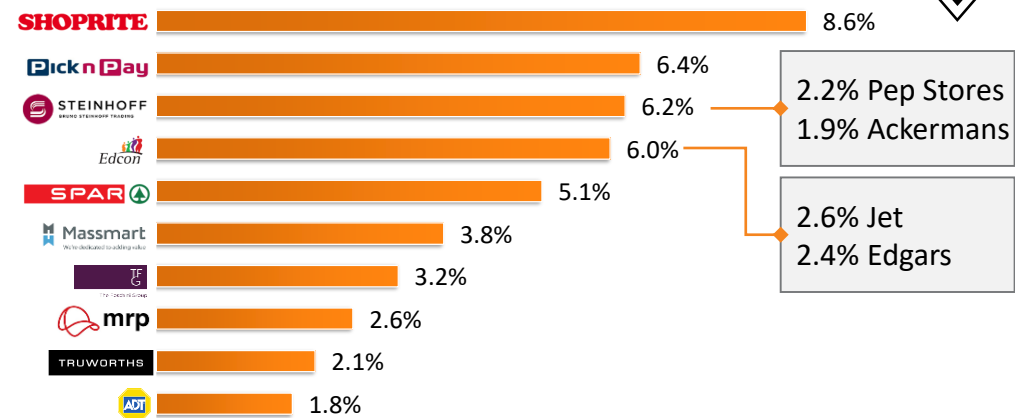
Top 10 Tenants by GLA



Tenant Profile - by Contractual Rent



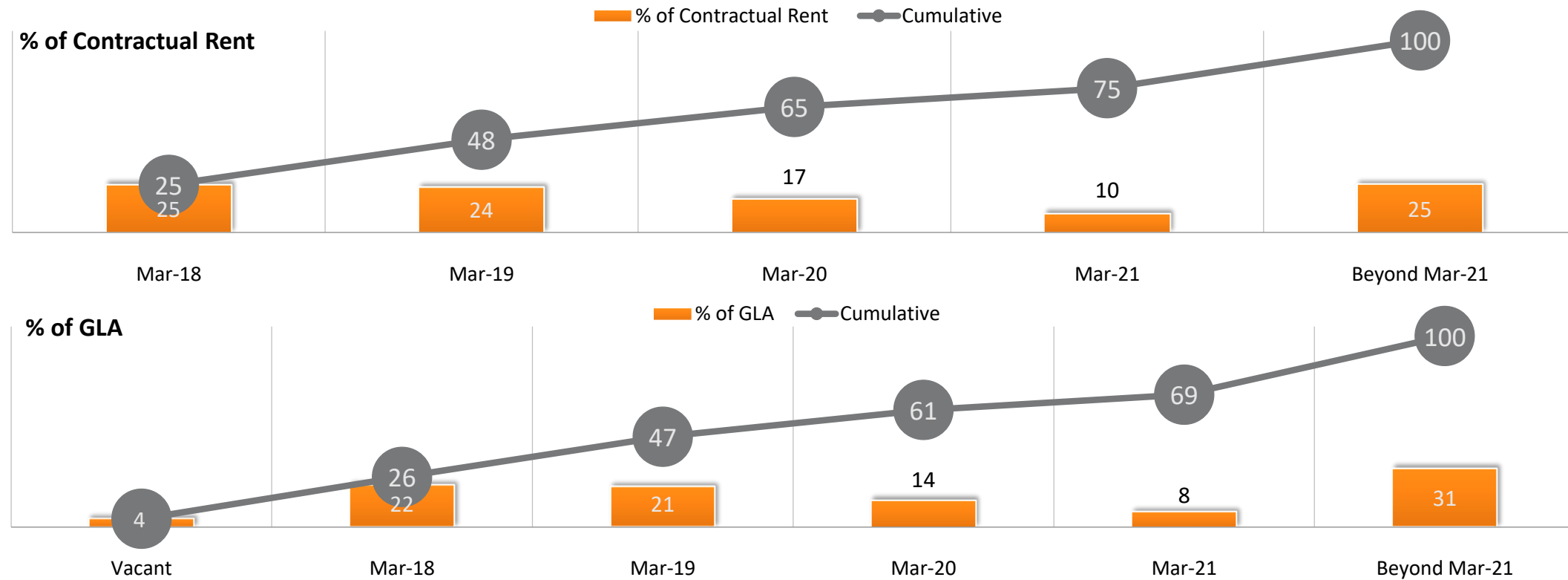
Tenant Profile - by GLA



* Portfolio as at 31 Mar 17 - Excluding Thohoyandou Thavhani Mall

Company tenant expiry profile

52% of contractual rent expiring in 2020 and beyond (WALE 3.6 years)



For the 12 months ended 31 March 2017 leases were concluded with:

- ▶ Total contract value R1 274 million
- ▶ Total rentable area 182 314m²
- ▶ Tenant Retention 76% with almost all tenant vacancies being replaced with new tenants



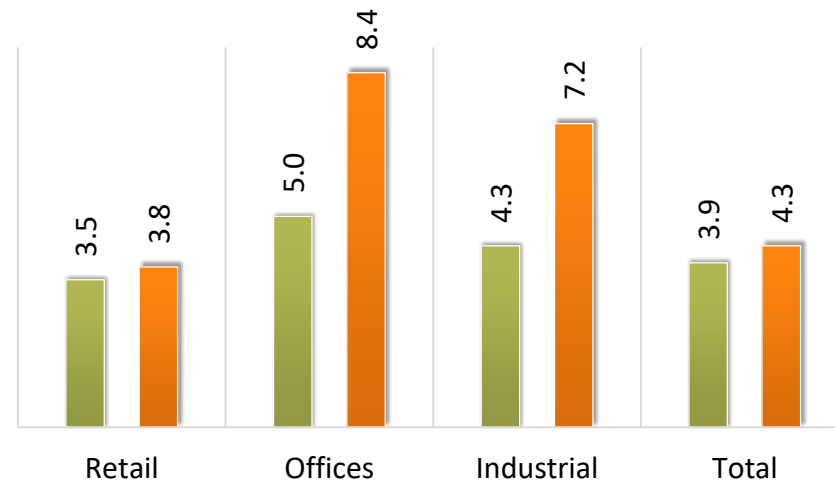
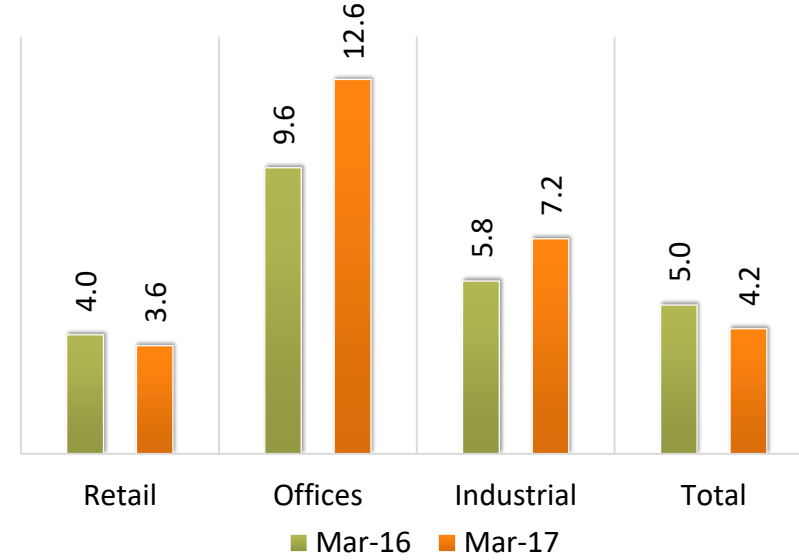
Vacancy profile

Vacancy improving to 4.2% of contractual rent



Vacancy
4.2% of
Rent

Vacancy
4.3% of
GLA



* Excluding development vacancy of 7034m²

Individual properties vacancy profile (% of GLA)

Vacancy > 1 000m²

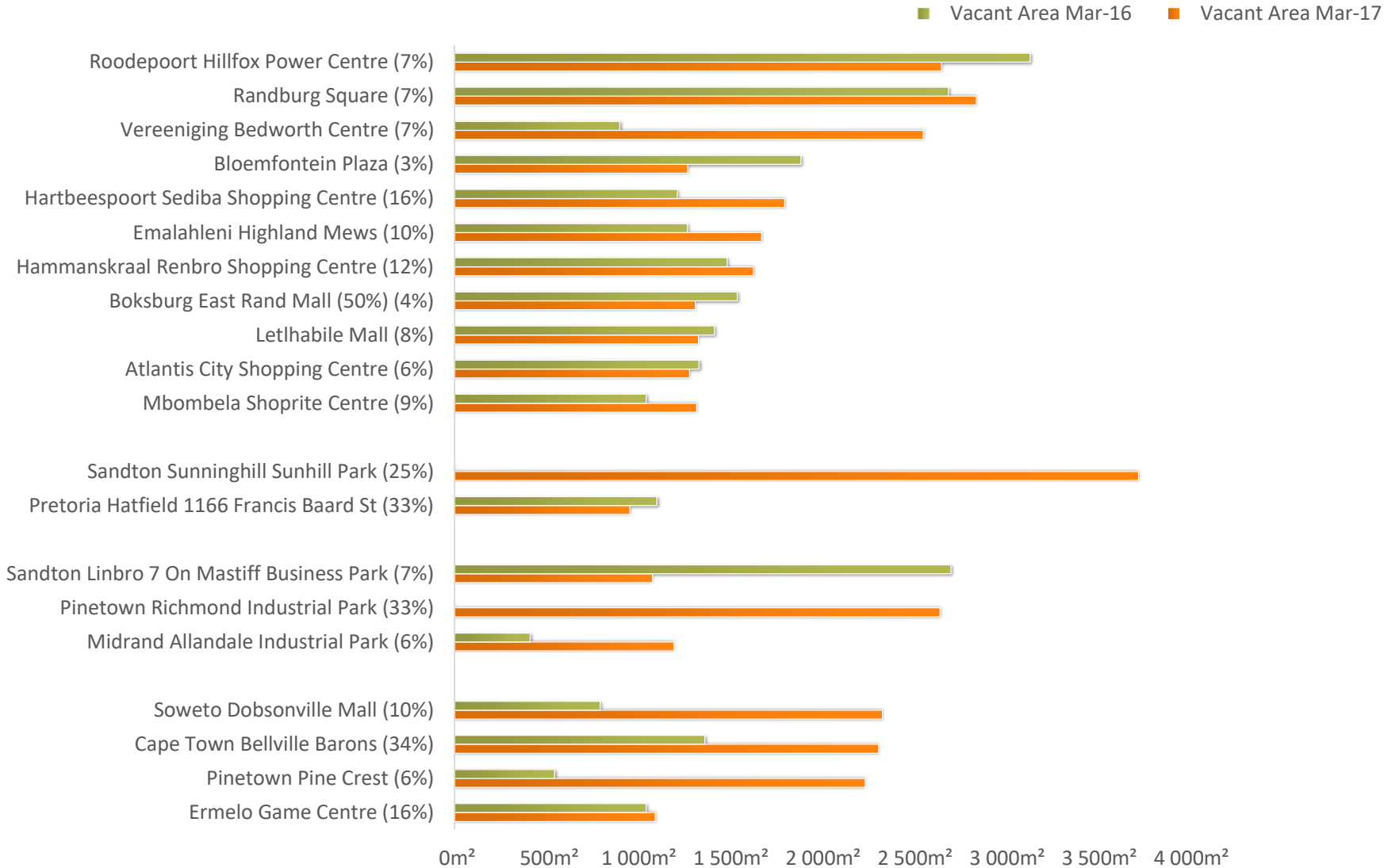


Retail

Office

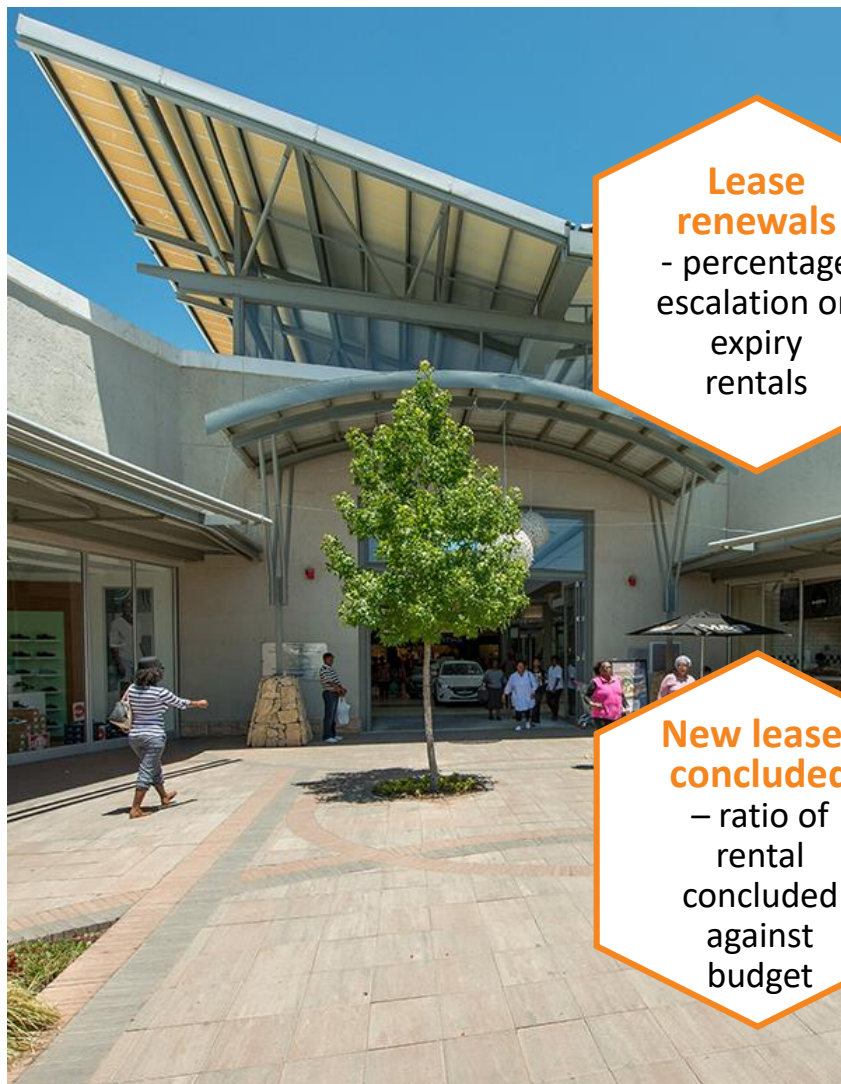
Industrial

Development
Vacancy



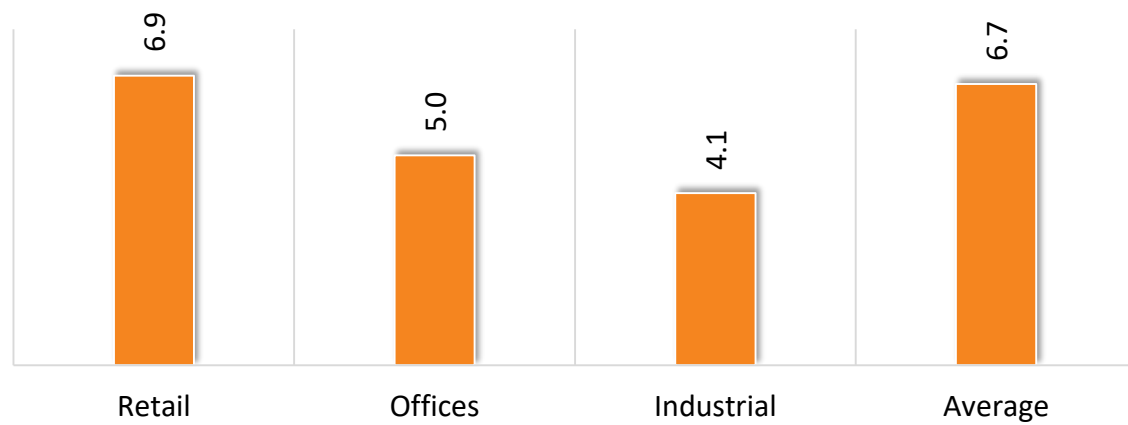
Lease renewals and new leases concluded

Positive reversions across all sectors. Retail the star performer



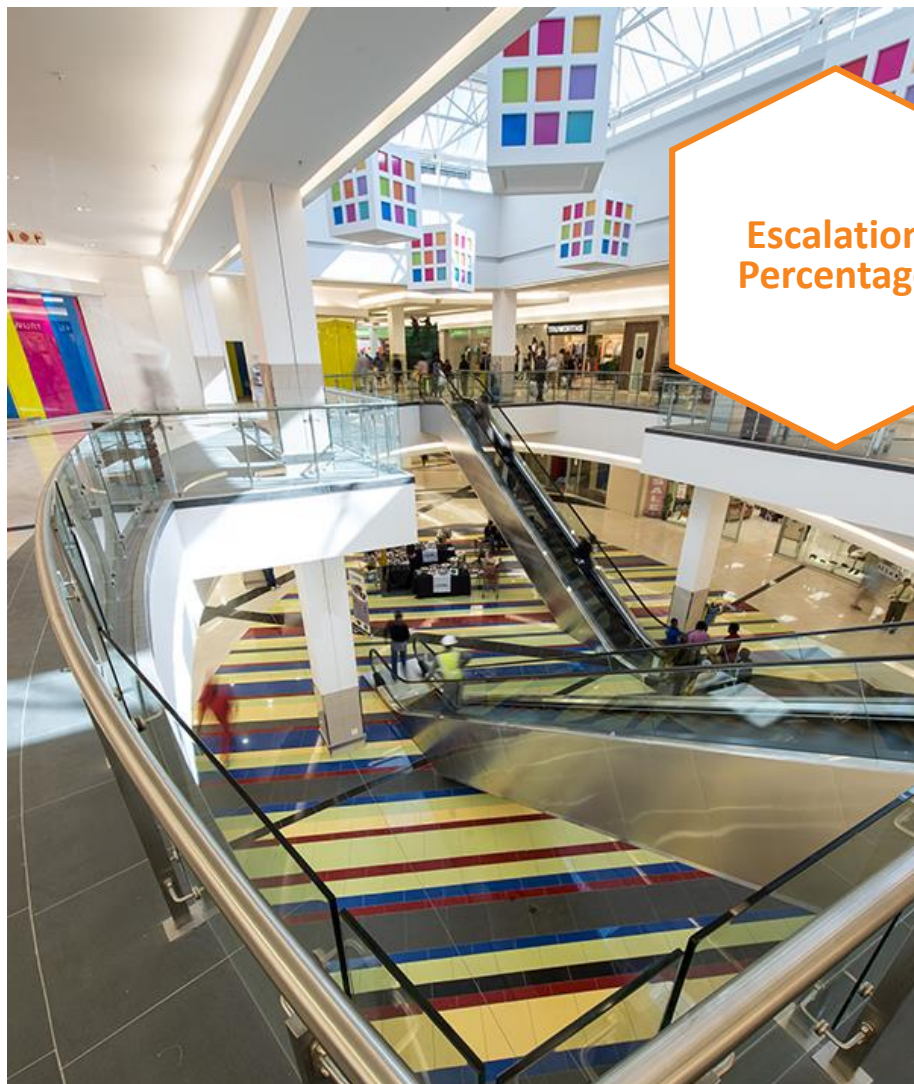
Lease renewals
- percentage escalation on expiry rentals

New leases concluded
- ratio of rental concluded against budget

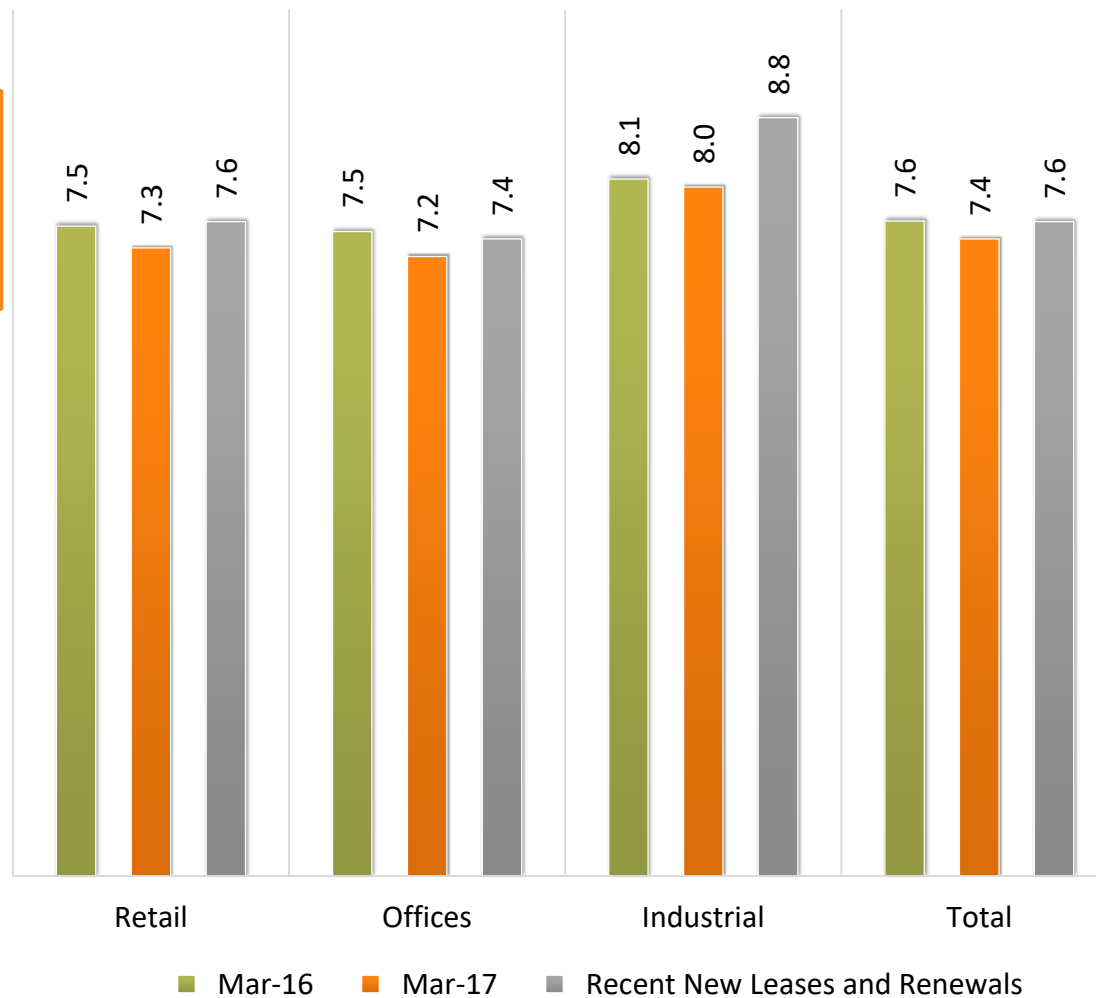


Contracted rental escalation profile

Rental escalations still ahead of inflation

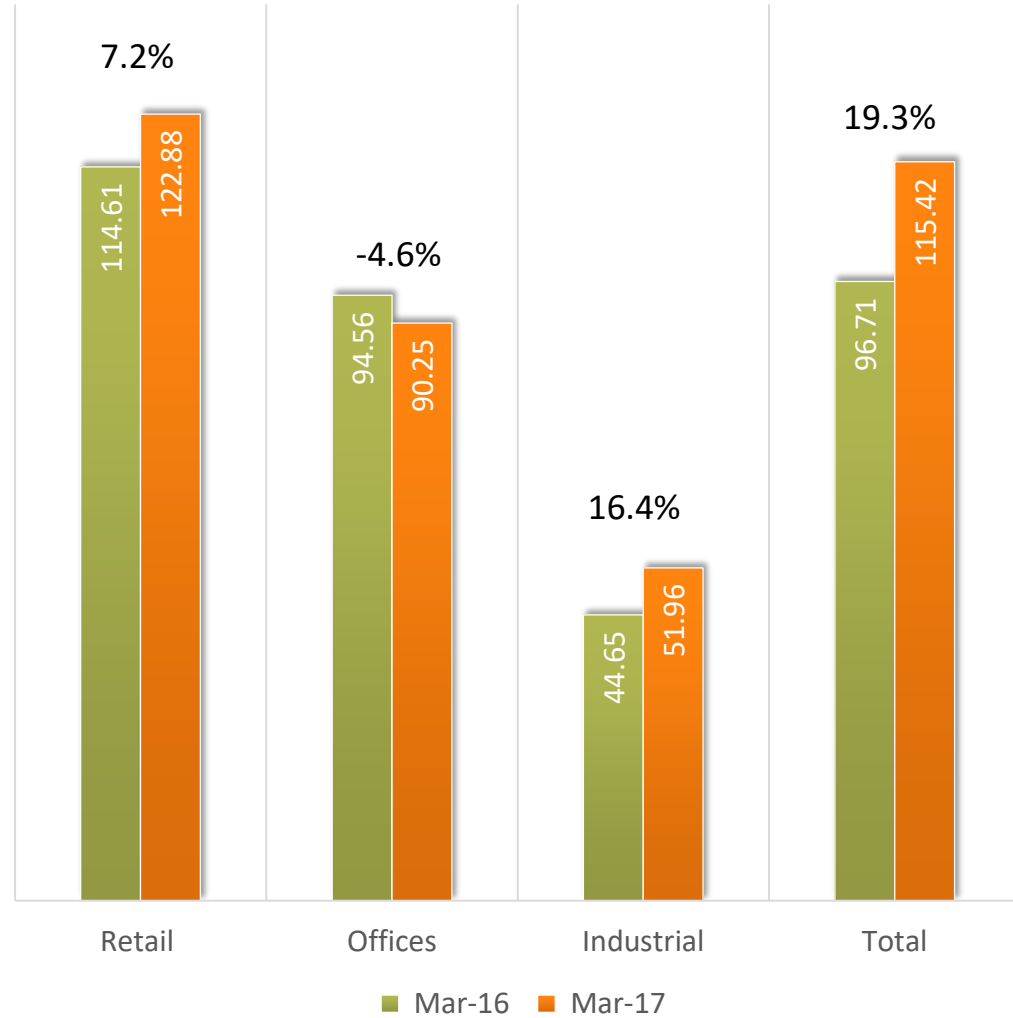


Escalation Percentage



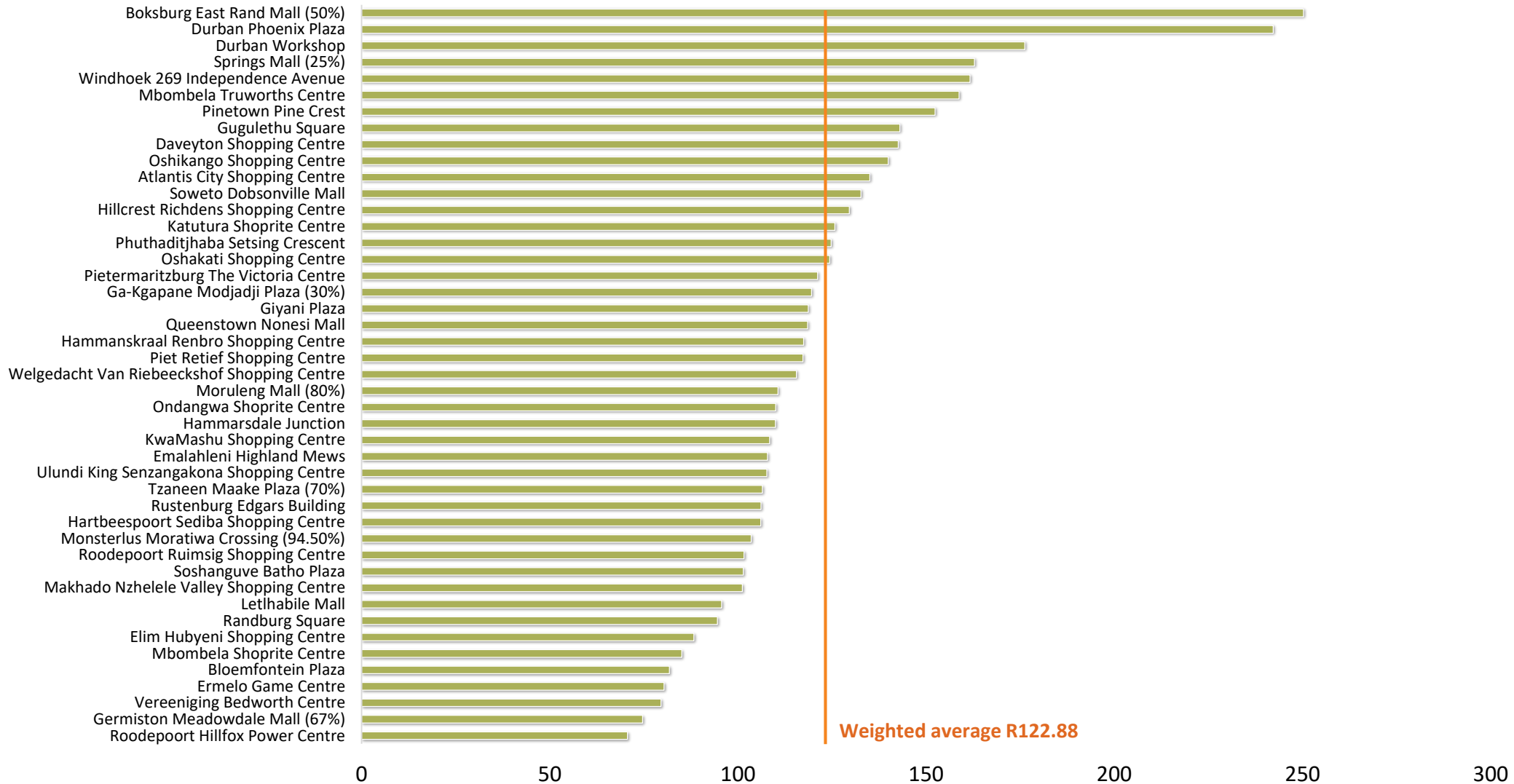
Weighted average base rentals– R/m²

Excluding recoveries



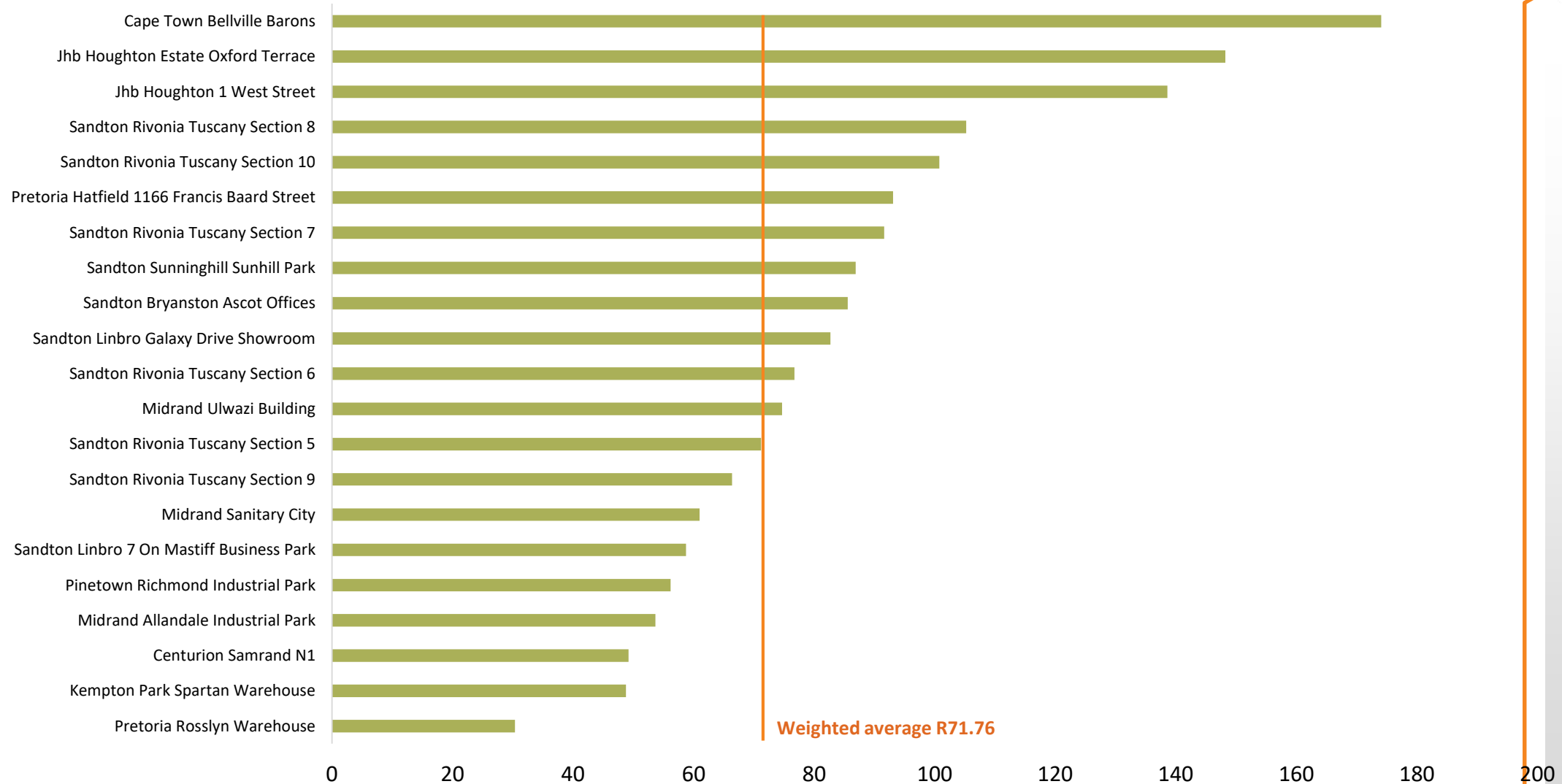
Weighted average base rentals R/m² (excluding recoveries)

Total Retail portfolio



Weighted average base rentals R/m² (excluding recoveries)

Total Other portfolio



Refurbishments and new developments

Approved during FY2017



Project	Capex	Yield	Completion Date
Durban : The Workshop	75.0	n/a	28-Feb-17
Boksburg : East Rand Mall	230.0	5.3	31-Jan-17
Durban : Phoenix Plaza	24.5	n/a	31-Aug-17
Bellville : Barons Ford	35.4	15.1	30-Jul-17
Dobsonville Centre Extension	114.0	9.5	31-Aug-17
Thohoyandou : Thavhani Mall	350.1	8.0	31-Aug-17
Springs Mall	260.0	8.0	16-Mar-17
Phuthaditjhaba : Setsing Crescent	338.0	8.5	31-Oct-18
Randburg Residential (inclusive of VAT)	81.0	9.8	30-Oct-16
	1,508.0		

Acquisitions

Transferred during FY2017

Property	Location	Sector	GLA	Purchase Price
Atlantis City Shopping Centre	Western Cape	Retail	22,115	302.1
Elim Hubenyi Shopping Centre	Limpopo	Retail	12,686	127.5
Emalahleni Highland Mews	Mpumalanga	Retail	17,032	224.0
Ermelo Game Centre	Mpumalanga	Retail	6,639	53.8
Gugulethu Square	Western Cape	Retail	25,322	415.0
Hammanskraal Renbro Shopping Centre	Gauteng	Retail	13,308	160.4
Hartbeespoort Sediba Shopping Centre	North West	Retail	10,887	121.5
Hillcrest Richdens Shopping Centre	KwaZulu-Natal	Retail	10,196	137.4
KwaMashu Shopping Centre	KwaZulu-Natal	Retail	11,204	103.3
Makhado Nzhelele Valley Shopping Centre	Limpopo	Retail	5,308	55.9
Phuthaditjhaba Setsing Crescent	Free State	Retail	21,538	328.0
Roodepoort Ruimsig Shopping Centre	Gauteng	Retail	11,167	119.4
Ulundi King Senzangakona Shopping Centre	KwaZulu-Natal	Retail	22,365	262.3
Welgedacht Van Riebeeckshof Shopping Centre	Western Cape	Retail	5,182	64.0
Total portfolio acquired from Synergy			194,949	2,474.6
Pine Crest Shopping Centre (50%)	KwaZulu-Natal	Retail	20,044	407.0
Total acquisitions			214,993	2,881.6



Disposals

Transferred during FY2017

Property	Location	Sector	Sale Price
Cape Town Bellville Suntyger	Western Cape	Offices	63.6
Cape Town Bellville Tijger Park	Western Cape	Offices	241.3
Cape Town Parow Industrial Park	Western Cape	Industrial	77.7
Durban Valley View Industrial Park	KwaZulu-Natal	Industrial	138.1
East London Vincent Office Park	Eastern Cape	Offices	86.0
Germiston Meadowdale R24	Johannesburg	Industrial	177.8
Jhb Isle of Houghton	Johannesburg	Offices	283.0
Jhb Parktown 55 Empire Road	Johannesburg	Offices	50.8
Midrand IBG	Johannesburg	Offices	71.1
Pinetown Westmead Kyalami Industrial Park	KwaZulu-Natal	Industrial	89.8
Pretoria Hatfield Festival Street Offices	Pretoria	Offices	55.0
Pretoria High Court Chambers	Pretoria	Offices	143.9
Pretoria Lynnwood Excel Park	Pretoria	Offices	27.9
Pretoria Lynnwood Sanlynn	Pretoria	Offices	145.0
Pretoria Lynnwood Sunwood Park	Pretoria	Offices	66.0
Pretoria Silverton 22 Axle Street	Pretoria	Industrial	11.3
Pretoria Silverton 294 Battery Street	Pretoria	Industrial	23.6



Disposals (cont.)

Transferred during FY2017

Property	Location	Sector	Sale Price
Pretoria Silverton 301 Battery Street	Pretoria	Industrial	18.5
Pretoria Silverton 309 Battery Street	Pretoria	Industrial	20.9
Pretoria Silverton 330 Alwyn Street	Pretoria	Industrial	4.7
Pretoria Silverton 34 Bearing Crescent	Pretoria	Industrial	26.2
Randburg Trevallyn Industrial Park	Johannesburg	Industrial	144.0
Randburg Tungsten Industrial Park	Johannesburg	Industrial	55.4
Roodepoort Robertville Industrial Park	Johannesburg	Industrial	92.9
Sandton Bryanston Grosvenor Shopping Centre	Johannesburg	Retail	58.1
Sandton Bryanston St Andrews Complex	Johannesburg	Offices	86.9
Sandton Hyde Park 50 Sixth Road	Johannesburg	Offices	54.4
Sandton Rivonia 36 Homestead Road	Johannesburg	Offices	32.0
Sandton Sunninghill Place	Johannesburg	Offices	85.9
Total portfolio sold to Synergy (renamed to Gemgrow)			2,431.8



Disposals (cont.)

Transferred during FY2017

Property	Location	Sale Price	Yield	Date of Sale
Bloemfontein Fedsure House	FreeState	89.70	8.6	31-Aug-16
Pretoria Arcadia Suncardia	Pretoria	265.60	10.0	31-Aug-16
Pretoria De Bryn Park	Pretoria	305.10	9.3	31-Aug-16
Pretoria Koedoe Arcade	Pretoria	129.70	12.2	31-Aug-16
Pretoria Navarre Building	Pretoria	391.20	16.1	31-Aug-16
CapeTown Bellville Louis Leipoldt	WesternCape	384.73	8.0	3-Feb-17
CapeTown Parow De Tijger Day Clinic	WesternCape	32.67	8.0	14-Feb-17
CapeTown Parow De Tijger Office Park	WesternCape	39.93	11.8	14-Feb-17
		1,638.6	11.0	



Appendix B

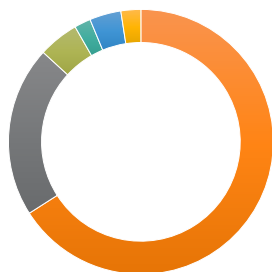
Financial Results Overview



Group net income analysis

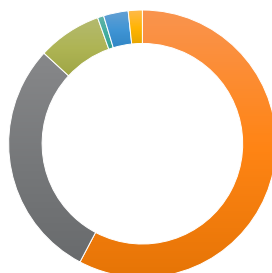
Distributable income of R1 117 million

Income R2 262.7 million



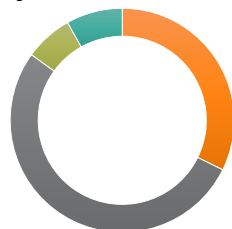
	<u>R'000</u>	<u>%</u>
Rental income (excl. straight lining) and other	1 492 165	65.9
Municipal and rates recoveries	472 037	20.9
Investment and other income	111 502	4.9
Income from associate	45 251	2.0
Dividends from listed securities	87 021	3.8
Realised profit on sale of subsidiary	54 813	65.9

Expenses 1 243.7 million



	<u>R'000</u>	<u>%</u>
Property expenses	717 970	57.7
Finance costs	362 074	29.1
Corporate and administrative expenses	96 155	7.7
Taxation	9 286	0.7
Non-controlling interest Castellana and Clidet	37 130	3.0
Loss of control of Synergy	21 122	1.7

Non IFRS adjustments R98.6 million



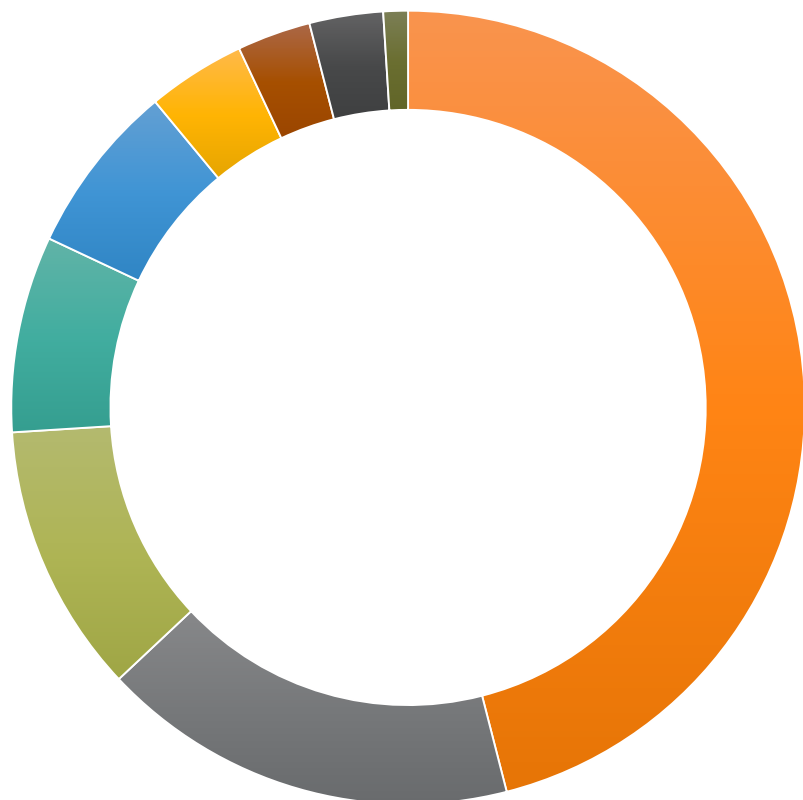
	<u>R'000</u>	<u>%</u>
Shares issued cum dividend	31 847	32.3
Dividends receivable from listed securities	51 954	52.7
Pre acquisition dividends Castellana	6 828	6.9
Project management fees receivable from Sanlam	8 000	8.1



Recurring expenses

82% of costs from top four categories

63% of costs from Government Services and Rates & Taxes with full recovery



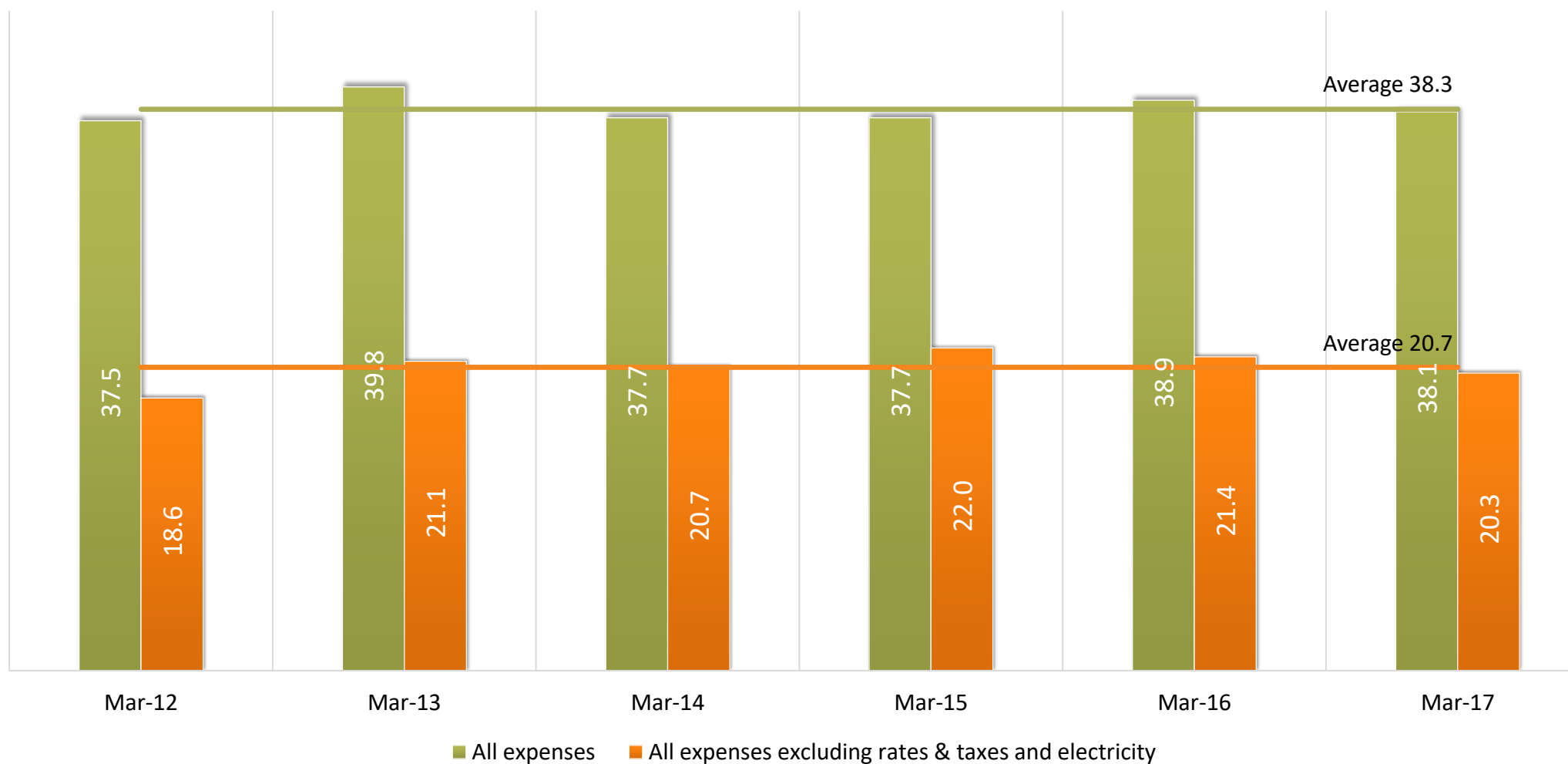
% of Recurring expenses

	Total Portfolio
Government Services	46
Rates & Taxes	17
Cleaning & security	11
Property Management Fee	8
Sundry Expenses	7
Maintenance	4
Bad Debt	3
Leasing Commission	3
Insurance Premiums	1



Ratio of gross cost to property revenue

Improvement in cost ratios



* Stable portfolio excluding recent acquisitions and sales

Bad debt and arrears analysis

Prudent provisioning policy

- ▶ Tenant arrears amounted to R76 million or 4.3% of gross rental income, an increase from 3.05% at March 2016
- ▶ Doubtful debt allowance marginally up to R32 million (March 2016: R28 million)
- ▶ The doubtful debt allowance equates to 1.8% of gross property revenue for the year ending 31 March 2017, an increase from 1.3% in the prior year

	March 2017 R'000
Impairment allowance 1 April 2016	28 010
– Allowance for receivable impairment for the year	15 863
– Receivables written off as uncollectable	(6 708)
	37 165
– Loss on control of subsidiary	(4 776)
Impairment allowance at 31 March 2017	32 389
Bad debt write-off included in profit and loss	7 713

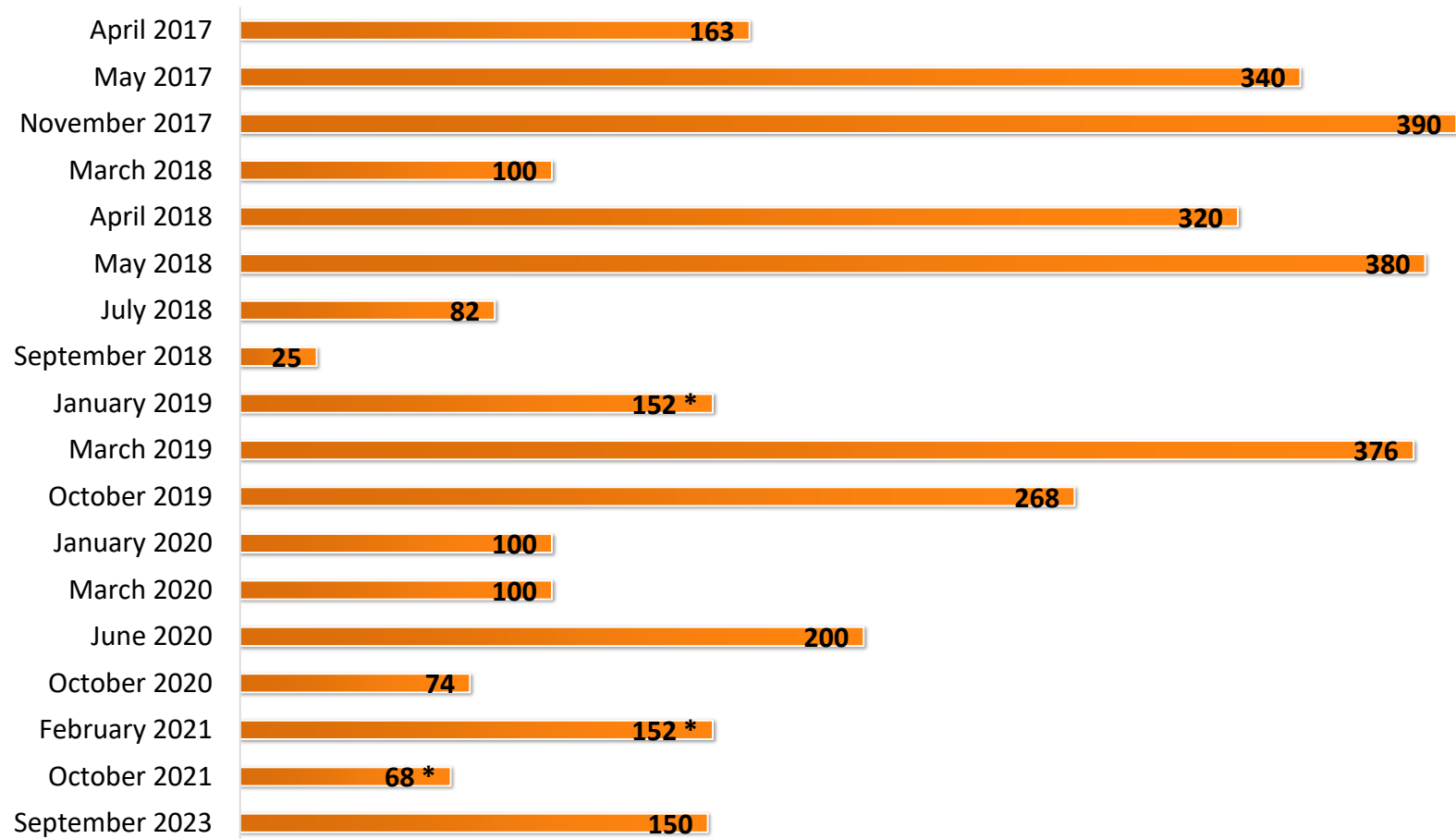


Vukile debt structure

Fixed interest bearing debt - R3.4 billion



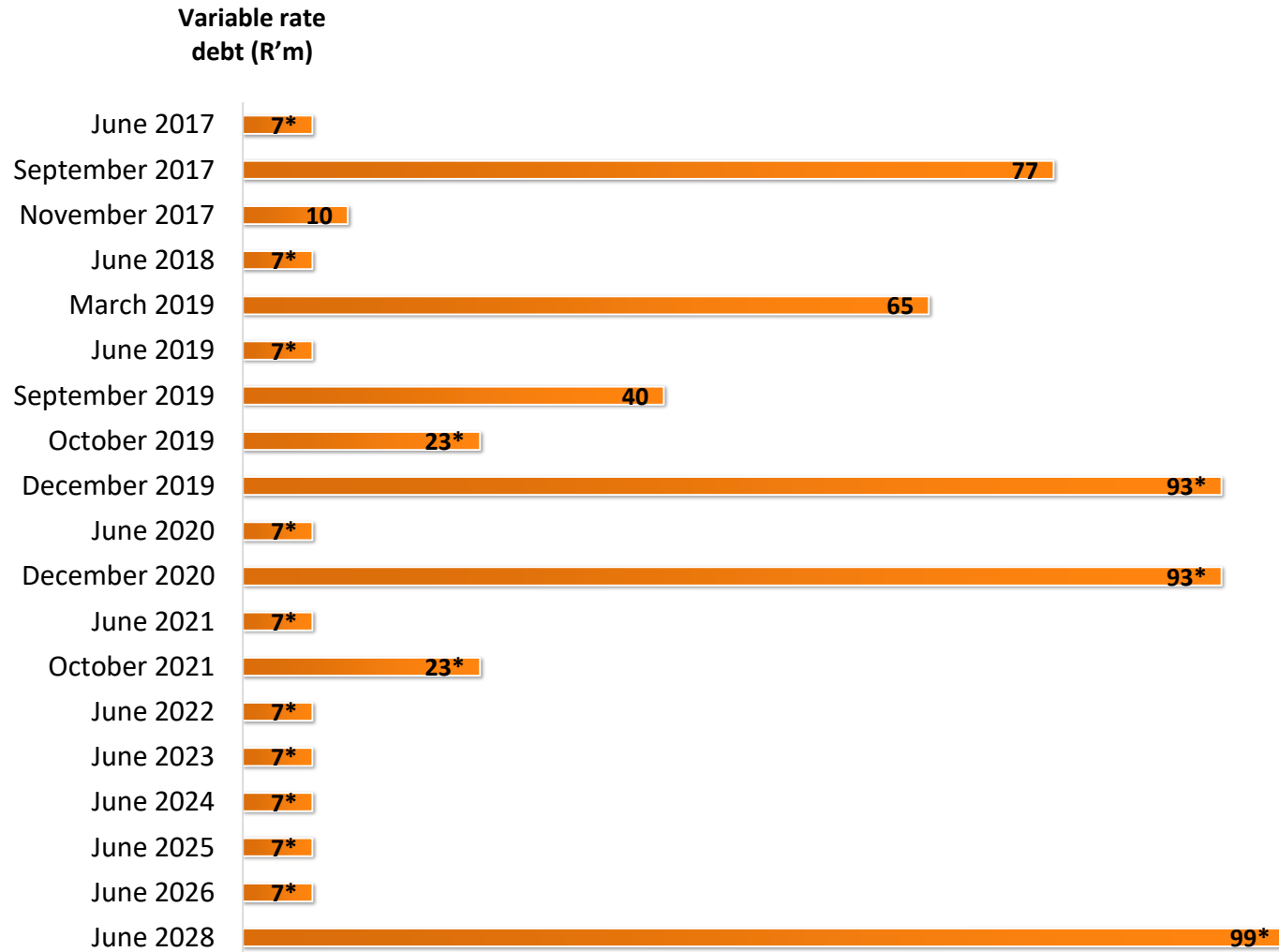
Fixed rate
debt (R'm)



* Foreign currency denominated debt

Vukile debt structure

Variable interest bearing debt – R588 million



* Foreign currency denominated debt

