



VUKILE
PROPERTY FUND

REAL ESTATE. REAL GROWTH.



Annual Results Presentation
for the year ended 31 March 2019

www.vukile.co.za

AGENDA



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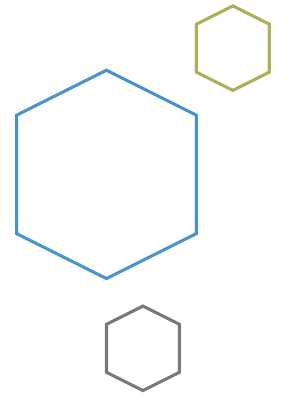
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1

Introduction
Laurence Rapp

Profile

Who we are

- ◆ High quality, low risk, **Retail REIT** operating in Southern Africa and Spain
- ◆ Strong **operational focus** with a core competence in **active asset management**
- ◆ Aim for **simplicity** and **transparency**
- ◆ Clarity of **vision, strategy** and **structure**
- ◆ Prudent **financial management** and strong **capital markets expertise**
- ◆ **Entrepreneurial approach** to deal making
- ◆ Strong focus on **governance** and **leadership**
- ◆ History of strong **shareholder returns** with CAGR of **20.3%** since listing
- ◆ **45%** of assets now focused in Spain and 4% in the UK
- ◆ Vukile listed on the **JSE and NSX**
- ◆ **72%** held subsidiary Castellana Property Socimi listed on the **MAB** (Madrid junior board)

Highlights

A transformational year in review

◆ 7.5% increase in dividends

- In line with guidance to 181.48 cents per share

◆ Strong balance sheet and capital market support

- ICR of 6 times
- LTV reduced to 37% with 96% of debt hedged
- Corporate long-term credit rating upgraded to A⁺_(ZA)
- Raised R2.6bn in new equity during the year and R700m in April 2019
- Raised R1.2bn in corporate bonds

◆ Significant presence in Spain

- Investment properties increased to €916m from €308m following the acquisition of 5 dominant shopping centres
- Positive benefits of diversification with a solid pipeline of opportunities

◆ Value-add asset management from Castellana

- All retail parks acquired in June 2017 now all fully let
- Like-for-like growth in gross rental income of 3.5% with reversions and new lettings at 11% above expiring rentals
- Successful redevelopment of Kinopolis Leisure Centre at a yield of 11%

◆ Continuing solid operating performance in Southern Africa

- Positive retail reversions at +4.5%
- Retail vacancies reduced to 3.0% with 87% tenant retention
- Retail like-for-like growth in net income of 4.4%
- Established Vukile Academy

Group Overview - Consolidated property assets of R33bn

Well diversified exposure across macro economic drivers



Clarity of vision and strategic intent

Focused strategy and clear deliverables

Southern Africa

- ◆ Continued focus on **defensive** retail sector in line with our high- quality, low-risk portfolio
- ◆ Identify further investment opportunities in our existing portfolio through **expansions and upgrades**
- ◆ Strong operational focus to keep delivering solid results with a specific intent to **further reduce vacancies** and lower operating costs
- ◆ Increased focus on **consumer analytics** and alternative income streams starting to gain traction
- ◆ Evolve into a **customer-led organisation** to better adapt to changing customer trends to ensure long term sustainability
- ◆ Appetite to invest further in South Africa; always about **the right assets at the right price** and currently evaluating the proposed Rebois portfolio acquisition
- ◆ **Recycle non core assets** and investments where appropriate without harming earnings momentum
- ◆ Retain an opportunistic and entrepreneurial approach to deal-making but always to be strategically consistent with our retail focus and **driven by long term fundamentals**

Spain

- ◆ Drive home the advantage we have created in Castellana through scale, **on-the-ground presence** and operational capabilities
- ◆ Enlarged, **experienced management** team in place allowing the business to mature following its start up phase and pursue new growth opportunities
- ◆ Continue identifying and delivering **value add** asset management opportunities
- ◆ Very healthy pipeline of **organic growth opportunities** allied to our existing assets through the El Corte Ingles deal
- ◆ **Good pipeline** of new accretive acquisitions currently being evaluated
- ◆ Evolve into a **customer-led organisation** to better adapt to changing customer trends to ensure long term sustainability
- ◆ Already the **9th largest** SOCIMI in Spain by market capitalisation
- ◆ Focus is on **growth in dividends** not portfolio size
- ◆ Great **window of opportunity** to become a leading retail operator in Spain

Balance Sheet

- ◆ Good progress in reducing loan-to-value (LTV) to **37%**
- ◆ Continue working to **reduce LTV** to target level of 35%
- ◆ Maintain very healthy **ICR** position
- ◆ Reduce LTV in Spain to 40% through value added projects and if possible **paper-funded acquisitions**
- ◆ Maintain conservative and **well diversified funding strategy**
- ◆ Continue to **hedge foreign earnings** to provide predictability in earnings
- ◆ Strong focus on **risk management** techniques in respect of currency and interest rate risks



VUKILE
PROPERTY FUND

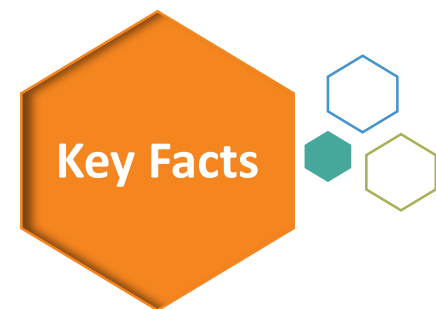
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Southern African Retail Portfolio Overview
Ina Lopion

Key Retail Portfolio Metrics

Direct Southern African Retail Portfolio



- ◆ Portfolio Value **R14.2bn**
- ◆ **45** Properties
- ◆ GLA **860 591m²**



- ◆ Average asset value **R316m**
- ◆ Average discount rate **13.5%**
- ◆ Average exit capitalisation rate **8.3%**



- ◆ National exposure
 - **83% GLA**
 - **79% Rent**
- ◆ Top 10 tenants
 - **54% GLA**
 - **44% Rent**
- ◆ WALE of **4.0 years**
- ◆ Tenant retention of **87%**



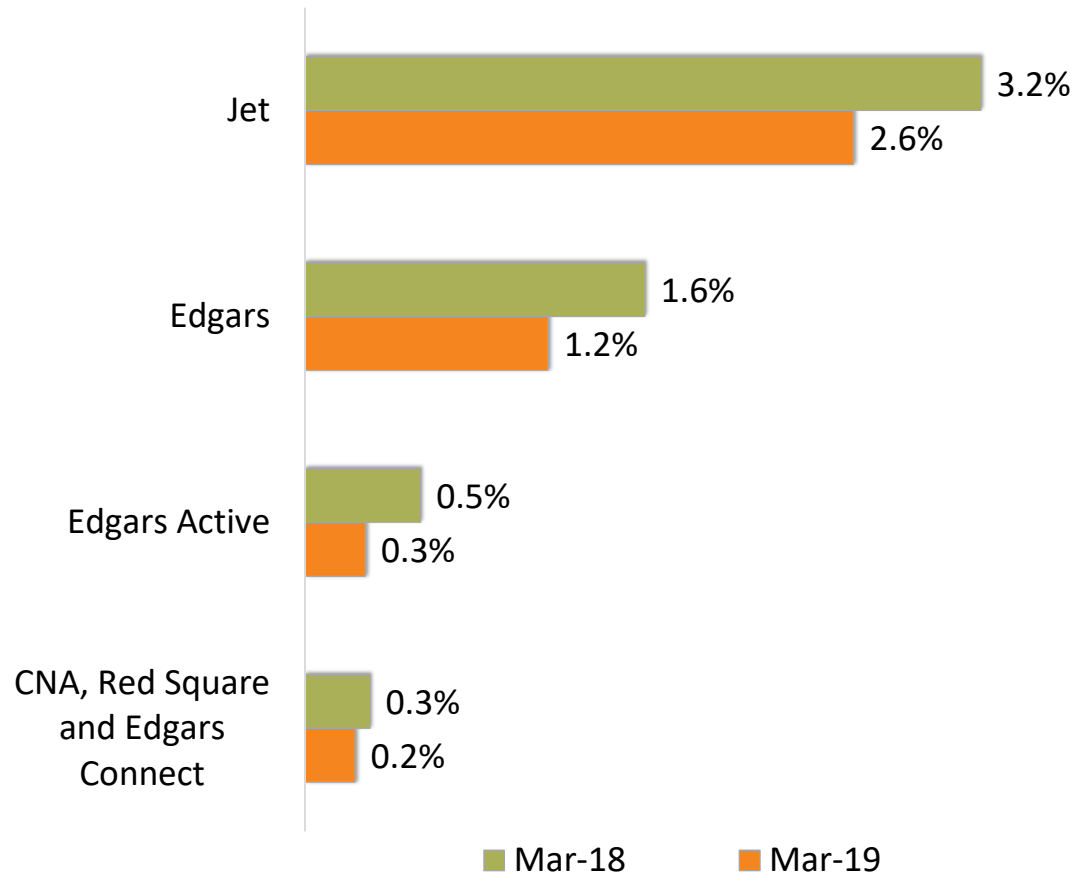
- ◆ Reversions **+ 4.5%**
- ◆ Vacancies
 - **3.0% GLA**
 - **3.0% Rent**
- ◆ Contractual escalations **7.0%**
- ◆ Base rentals **R134.78/m²**
- ◆ Like-for-like net income growth **4.4%**



- ◆ Rent-to-sales **6.0%**
- ◆ Average annual trading density **R28 235/m²**
- ◆ Annualised growth in trading densities **2.8%**
- ◆ Net cost to property revenue **16.9%**

Significant reduction in exposure

Retail Rental exposure reduced from 5.7% to 4.3%



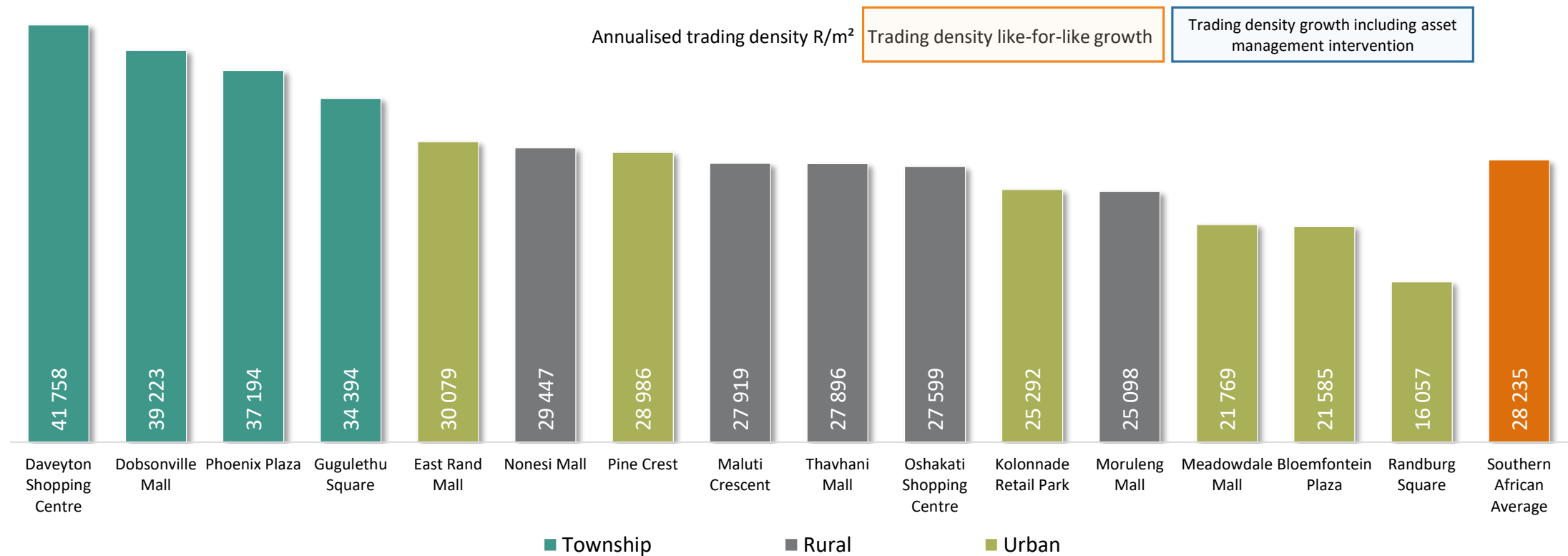
Area reduced by 17 000m² by August 2019

- ◇ Since March 2018 our exposure to Edcon has reduced by **5 598m²** from 56 656m² (7.4% of retail GLA) to 51 058m² (6.2% of retail GLA)
- ◇ A further **11 258m²** to be reduced by August 2019 which will reduce our exposure to 39 800m² (4.9% of retail GLA, and the group's rental exposure from 2.5% to 2.0%)
- ◇ Already **re-let** or are in advanced stages of negotiations to let the **majority** of the 11 258m² at higher rentals
- ◇ Agreed to take a **R36m capital investment** in Edcon in exchange for shares in the retailer, **injected monthly** over 24 months. Vukile's participation in the Edcon restructuring didn't impact our distribution to shareholders for FY2019
- ◇ The effects of the restructured Edcon leases have already been factored into our figures and **form part of Vukile's guidance** for our next financial year
- ◇ We will continue to critically assess our exposure to the tenant and **manage proactively** over time

Retail portfolio trading statistics for Top 15 properties

High trading densities delivering higher growth than national retail sales growth

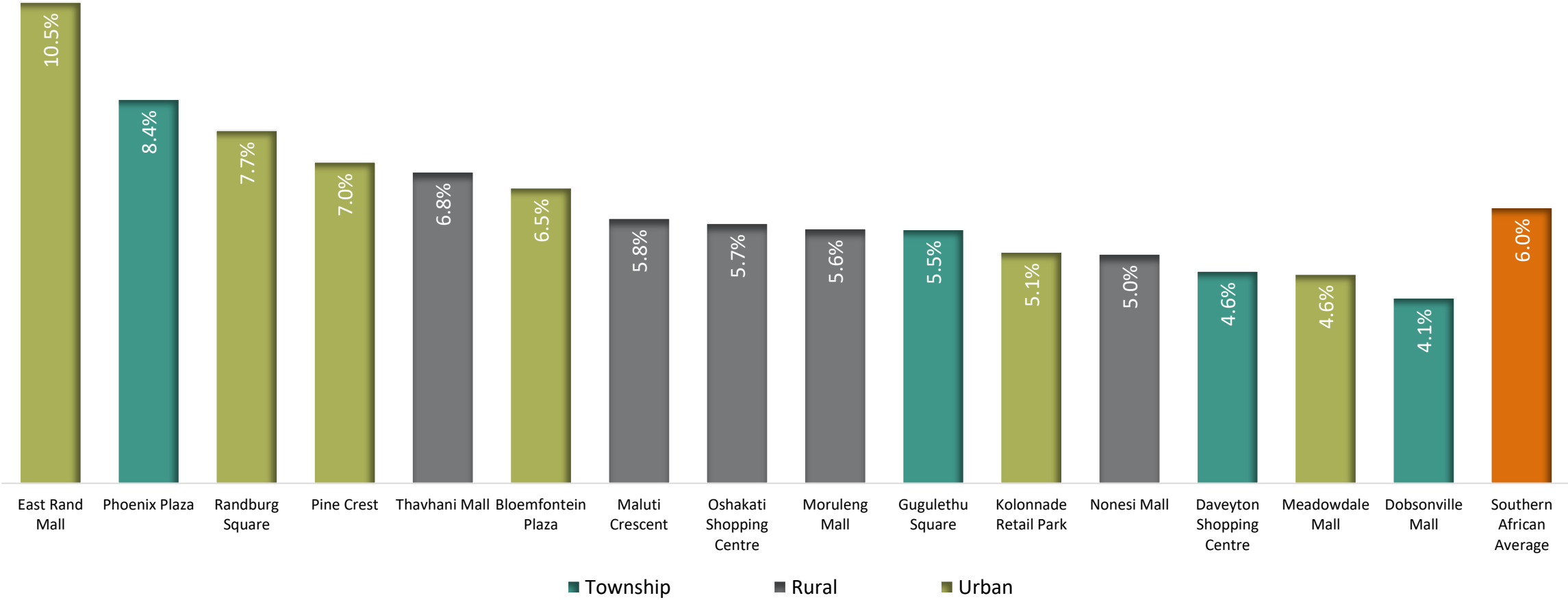
4.3%	0.8%	(3.4%)	1.0%	(2.0%)	7.0%	*	*	*	(5.4%)	*	2.3%	8.1%	5.7%	(2.5%)	1.1%
4.5%	1.2%	(3.1%)	#	(1.5%)	7.0%	*	*	*	(4.3%)	*	3.5%	#	#	(1.2%)	2.8%



Note: Annualised trading density calculated using monthly trading density over 12 months. Trading density like-for-like growth calculated on stable tenants.
 * Trading density like-for-like growth excludes Pine Crest, Maluti Crescent, Thavhani Mall and Kolonnade as recent developments/refurbishments/acquisition.
 # Not yet measured.

Rent-to-sales ratio by Top 15 properties

Continuing to provide very profitable centres for our tenants



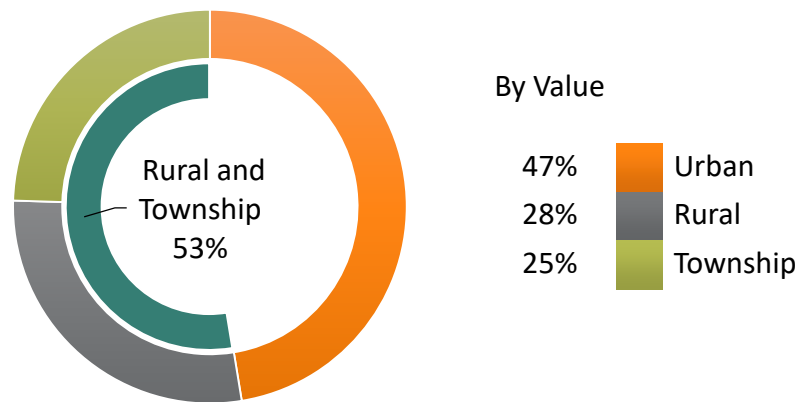
Retail insights

Defensive portfolio with further potential rental growth

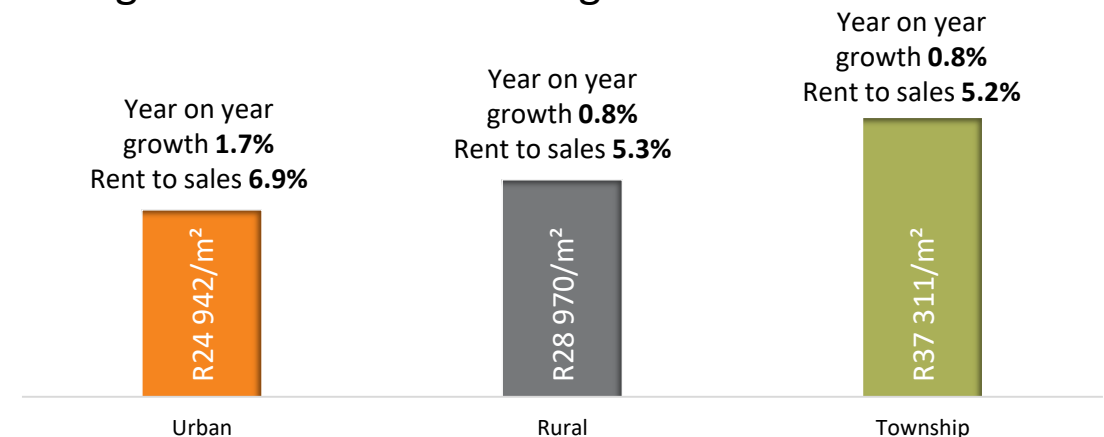
Segment Focus

- ◆ Rural and township and centres that account for 53% of the portfolio showed a year on year trading density growth of 0.8% which is higher than the national retail sales growth of 0.2%
- ◆ The low rent to sales ratio of 5.3% in the rural and township centres creates an opportunity for further rental growth
- ◆ Overall rent to sales remained at 6.0% which augurs well for further portfolio growth
- ◆ Rural and township centres are seeing an increase in diversity of the tenant mix through the introduction of strong second tier privately owned national tenants
- ◆ Groceries (22% exposure) grew by 0.4%, down from prior periods due to negative food inflation and not necessarily due to movement in turnover growth
- ◆ Fashion (27% exposure) trading results were marginally negative by 0.4% which is indicative of the challenging retail environment but green shoots starting to emerge within second-tier nationals

Segmental Profile - by Value



Segmental Profile – Trading Statistics



Valuation methodology

Southern African property portfolio

Directors' valuations used in financial statements

Science vs. art

Valuations are based on multiple assumptions which involve some subjectivity. The key is consistency in applying the same methodology over time. We've applied consistent views and methodology since listing, with minor improvements to the model in refining risk assessment and the build-up of discount and exit cap rates

Valuation policy

The portfolio is internally valued using the Discounted Cash Flow method and benchmarked against external valuations. 50% of the portfolio is externally valued every six months, ensuring that the total portfolio value is reviewed by external valuers once a year

Comparison – directors' vs. external valuation

The difference between the directors' and external valuations were consistently within a narrow range of on average approximately 2% over the past 6 years

Calculation of base discount rate

The rolling 10 year government bond is used as base rate, to which a general property risk premium is applied. Further risk premiums are applied per individual property depending on risk. This property specific risk is evaluated annually using a bespoke comprehensive risk / expected return model

Calculation of exit capitalisation rate

100bps risk loading for uncertainty of future cash flows is applied to the initial yield (discount rate less expected income growth) to calculate the exit capitalisation rate

Hold Period

The hold period for valuation of multi tenanted properties is 4 years and single tenanted properties 10 years

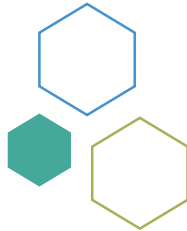
Properties on leasehold land

- Value minimum of
- discounted cashflow over leasehold period with zero residual value or
 - discounted cashflow over 4 years plus perpetuity value of the 5th year's net income

Capital investment last 5 years – R1.1bn invested in our retail portfolio

Continued focus on maintaining and improving our properties

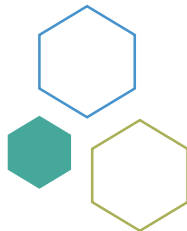
Major upgrades / extensions



R930m



Maintenance Capital
Based on condition assessment of properties by in-house team



R200m



	R'm		R'm
East Rand Mall	220	Pine Crest ⁽ⁱ⁾	102
Maluti ⁽ⁱ⁾	169	Workshop	72
Meadowdale	147	Hillfox	36
Dobsonville	112	Phoenix	33

◆ R111m to be spent in FY2020

(i) Remainder of capex to be spent in FY2020

Extension and upgrade

Pine Crest Shopping Centre, Pinetown, KZN

- ◆ Upgrading the existing centre and expanding the total GLA from 40 087m² to 43 414m²
- ◆ A new mall with street level access, upgraded food court and an improved tenant mix is being added to the centre
- ◆ New tenants include: HiFi Corporation, Spur, Old Mutual, OK Furniture, Roots, a second Capitec branch and Galaxy Bingo
- ◆ Major maintenance work is being done at the same time
- ◆ A brand new centre identity has been created by Totem, a Spanish branding consultancy, and a relaunch is planned for end July 2019



Location	Additional GLA
Pinetown, KZN	3 327m ²
Commencement Date	Total Capex
April 2018	R200m
Completion Date	Projected Yield on Capex
July 2019	7.4%
Trading Densities	Approx. Footfall
R28 986/m ²	11.2m

Redevelopment

Maluti Crescent, Phuthaditjhaba

- ◆ Complete redevelopment and extension of the centre to accommodate more national tenants with high trading densities
- ◆ The new extension area, which includes Pick n Pay as the second food anchor, is almost 100% let and was opened successfully on 21 March 2019
- ◆ Maluti Crescent, with a GLA of about 34 000m², is the biggest enclosed centre in the Phuthaditjhaba area, which has more than 82 000 households
- ◆ Upgrading and maintenance to a portion of the existing centre is still ongoing and will be completed by August 2019
- ◆ The new under cover taxi rank was handed over to the local Taxi Association in November 2018



Location	Additional GLA
Phuthaditjhaba, FS	12 357m ²
Commencement Date	Total Capex
September 2017	R392m
Completion Date	Projected Yield on Capex
March 2019	8.3%

Acquisitions and Sales

Transferred during the year

Property acquired	Location	Sector	GLA	Price R'm	Date of transfer
Kolonnade Retail Park	Pretoria, Gauteng	Retail	39 450	470.6	Transferred Nov-18
Total acquisitions			39 450	470.6	

Property sold	Location	Sector	GLA	Price R'm	Date of transfer
Hillcrest Richdens Shopping Centre	KwaZulu-Natal	Retail	10 196	138.0	Transferred Mar-19
Total sales			10 196	138.0	

Acquisitions and Sales

To be acquired/sold post year end

Property to be acquired	Location	Sector	GLA	Price R'm	Update
Rebosis Portfolio of 3 shopping centres	Gauteng and East London	Retail	90 265	1 777.8	Agreements signed Due Diligence currently underway
			90 265	1 777.8	
Property to be sold	Location	Sector	GLA	Price R'm	Update
Sandton Sunninghill Sunhill Park	Gauteng	Office	14 790	44.0	Agreements signed
Sandton Linbro Galaxy Drive Showroom	Gauteng	Industrial	2 431	17.2	Agreements signed
Midrand Vacant Land	Gauteng	Land	-	34.5	Terms agreed, agreement to be signed
Namibian Retail Portfolio (70%)	Namibia	Retail	63 152	700.0	Terms agreed, Due Diligence completed
			80 373	795.7	

Alternative Income Management

Significant milestones achieved with platform now in place



35 properties have **live fibre to the business** connections, (2 more in process)



50 tenants installations completed with 57 on order



Wi-Fi installed at 2 properties, currently in technical testing phase



More than 2 000 people have already registered via the **captiv portal**



The **shopper app** is being finalised - to be deployed to **Hillfox and Dobsonville** during June



Will generate **consumer behaviour insights** from data captured



Websites and social media sites for all retail properties across the portfolio are being upgraded or created



Mustard Seed Relationship Marketing appointed to implement marketing strategy across **33 properties**



Energy and water management

Focus on sustainability

Achievements FY2019:

- ◇ **5.5 million kWh** sustainable electricity savings (equivalent of powering **500 houses**)
- ◇ **R2.8m saved** through billing & metering optimisation
- ◇ Total installed PV capacity of **4.8 MW**
- ◇ Total spend to date of **R53m** with annual income of **R10m** equating to an **18% yield on investment**
- ◇ Sustainable water savings of **18 000 kl** per annum (equivalent of **700 swimming pools**)



Targets for the next 12 months:

- ◇ Energy savings of **8.6 million kWh** (equivalent of powering **800 houses**)
- ◇ Increasing PV capacity by **3.6 MW**
- ◇ Further optimised metering and billing savings of **+R0.6m**
- ◇ Additional water savings of **+15 000 kl** per annum (equivalent of **+600 swimming pools**)



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Castellana Properties Overview
Alfonso Brunet

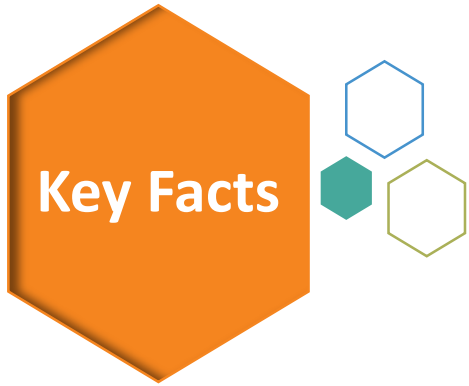
FY2019 Highlights

A transformational year, now the ninth largest Socimi in Spain by market capitalisation

- ◆ Strong portfolio delivering **solid income growth**
 - Like for like growth of 3.5% in gross rental income. Healthy operating expense ratio of 4.6%
- ◆ **Active asset management** continues to increase income and value
 - **61 leases signed** in FY2019 across the portfolio, up 10.8% on passing rents excluding vacancies
 - **Additional €1.54m** of annualised NOI generated in FY2019
 - Kinopolis Leisure Centre redevelopment project **completed and fully occupied. €600 000** additional annualised NOI
- ◆ Addition of Project West portfolio has **significantly improved portfolio metrics**
 - Improved tenant mix, category mix, average rentals and average asset size across portfolio
- ◆ Well balanced resources, skills and know-how in the management team
 - **Increased headcount** to 25 professionals
- ◆ Castellana **listed on the MAB** alternative exchange at end July 2018

Key Portfolio Metrics

A premier retail Socimi in Spain



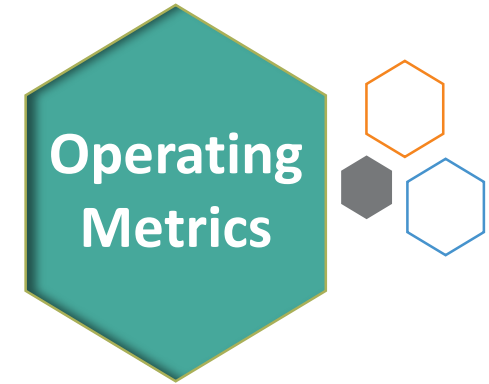
- ◆ Portfolio Value of **€916m**
- ◆ **17** Properties
- ◆ GLA **317 106m²**
- ◆ **96.4% Retail** by value



- ◆ Average asset value **€54m**
- ◆ Average discount rate **7.8%**
- ◆ Average exit capitalisation rate **6.0%**



- ◆ **94%** of retail space let to national tenants
- ◆ **27%** of income from top 10 tenants
- ◆ WALE of **14.2 years** ⁽ⁱ⁾
- ◆ **99.3%** rent collection rate



- ◆ **10.8%** increase in **reversions** and **new lettings**
- ◆ **97.9% Occupancy**
- ◆ Average base rentals **€14.14/m²/month**
- ◆ **3.5%** Like-for-like **growth** in rental income

(i) WALE is to expiry of lease excluding break options

Value Creation

Castellana Approach

1

Strategic Acquisitions

- ◆ Dominant assets in their catchment areas
- ◆ Strong demographics in catchment areas of 150 000 people or more
- ◆ Stable NOI with upside potential

2

Active Asset Management

- ◆ Keep high occupancy levels
- ◆ Value-added projects
- ◆ Positive reversion rates
- ◆ Optimize tenant mix
- ◆ Reinforce long-term relationships with stakeholders
- ◆ Maintain high rent collection rates

3

Corporate Governance

- ◆ Implementation of international REIT best practices
- ◆ Best in class experienced Board of Directors

4

Debt Management

- ◆ Diversification of sources of finance
- ◆ Cost efficient
- ◆ Hedging of at least 75%
- ◆ Conservative Net LTV

5

Dividend focus

- ◆ Predictable, stable & growing DPS
- ◆ Competitive Dividend Yield
- ◆ Distribution of +80% of FFO

Growing Portfolio Valuations

Significant like-for-like growth in value of acquisitions over time

**Like-for-Like ⁽ⁱⁱ⁾ Revaluation
FY2018 vs FY2019**

€308m

> +6.49%

€ 328m ⁽ⁱ⁾

**Total Portfolio
Revaluation since Acquisition ⁽ⁱⁱⁱ⁾**

€824m

> +11.17%

€ 916m ⁽¹⁾

▷ **R1.5 bn of value ^(iv) created
since acquisition**

(i) Valuation as at 31 March 2019

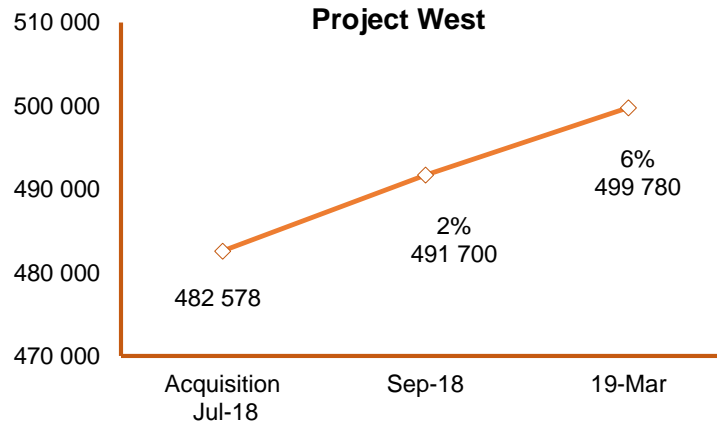
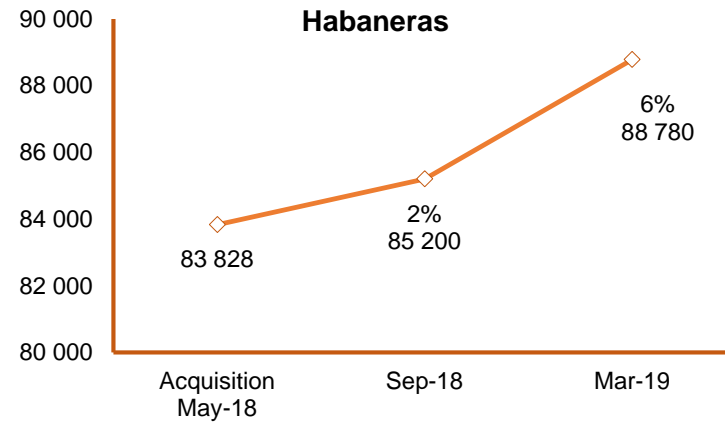
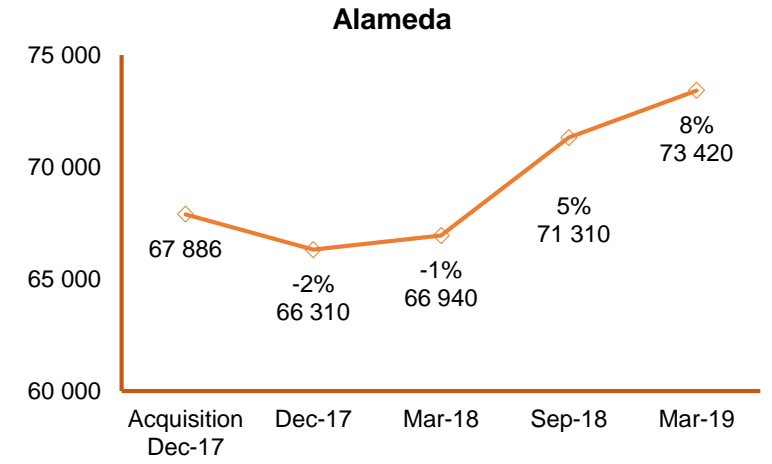
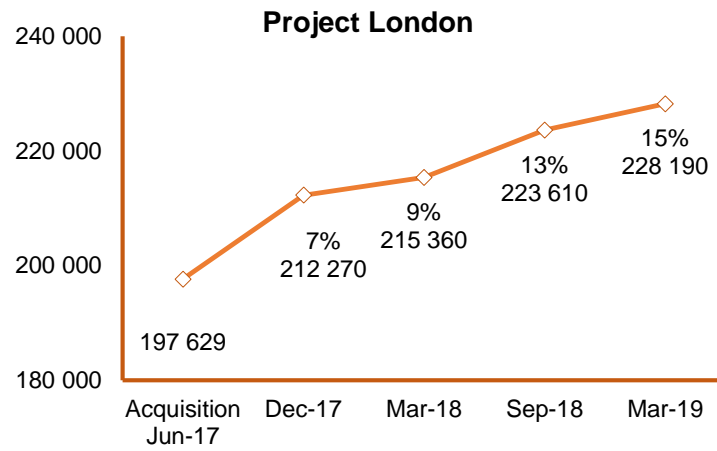
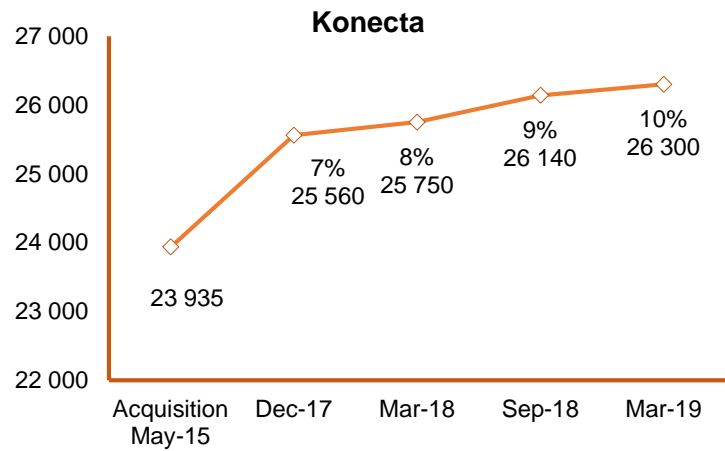
(ii) Like-for-Like is the growth in stable portfolio value excluding new acquisitions made in FY2019

(iii) €824m is total of prices paid at each acquisition date excluding transaction costs

(iv) Difference between €916m and €824m = €92m multiplied by EURZAR exchange rate of 16.2582

Value Creation

Capital Growth vs Acquisition Cost – Consistently adding value over time



Note: Acquisition price includes costs

Asset Management Initiatives

Adding value through active asset management

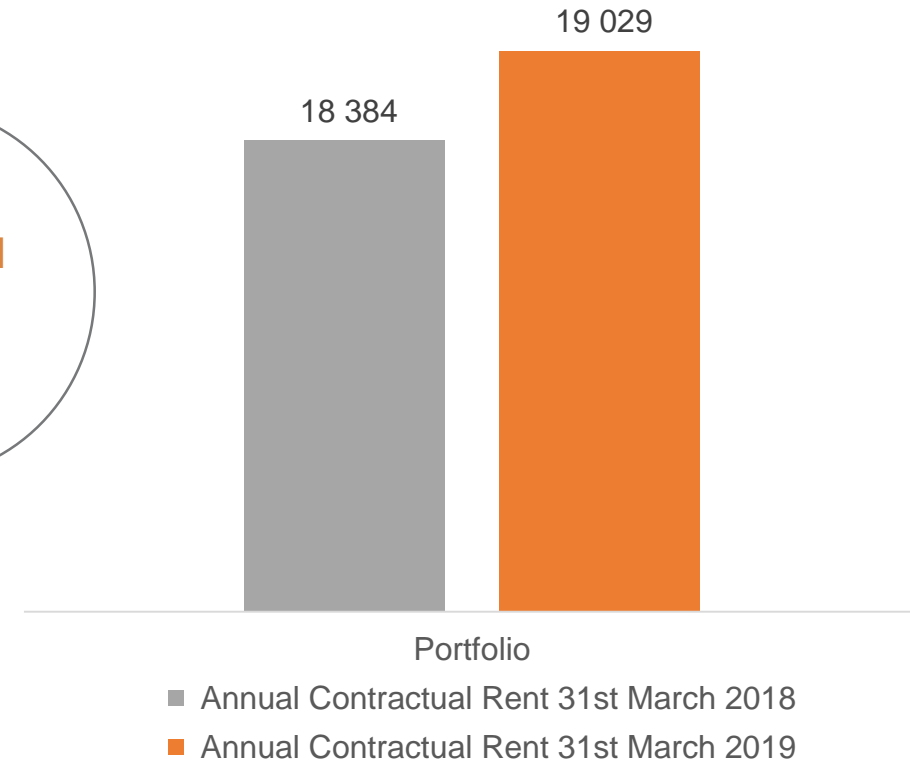
Annualised NOI Increase
€1.6m ⁽ⁱ⁾

Leases Signed
61 ⁽ⁱⁱ⁾

GLA
14.6K m²

Additional Value Added
+€26m ⁽ⁱⁱⁱ⁾

- ◆ Asset management team **continue to unlock value** in the portfolio through
 - Active management of **tenant mix**
 - Accretive **redevelopment projects**
 - Asset management **initiatives**
- ◆ **Renewals and replacements** of tenants concluded at average rate of €17.89/m²/month, **an increase of 10.8%** on previous passing rents
- ◆ **Vacancies let** at an average rate of **€13.31/m²/month**



(i) Total additional NOI of €1.6m to be fully earned over the next 24 months
 (ii) Leases signed in FY2019 include 40 new leases, 16 renewals and 5 resizings
 (iii) Additional NOI capitalised at a rate of 6%

Note: CPI in 2018: 1.2%, thus Like-for-like rental growth of 2.3% above inflation
 Source: Instituto Nacional de Estadística

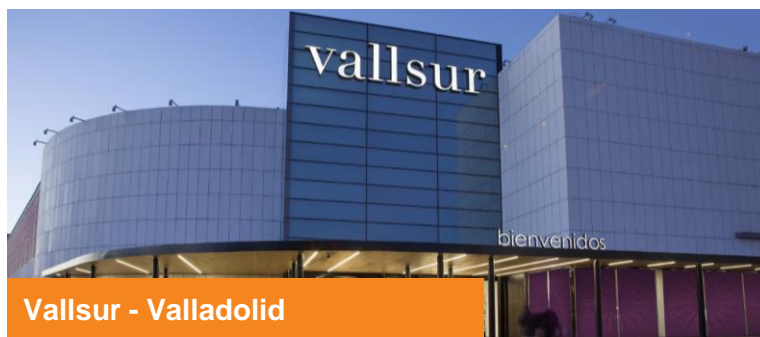
Acquisitions

5 accretive retail acquisitions strengthened the portfolio in FY2019



Habaneras – Torrevieja

- ◆ Acquisition Date : 9 May 2018
- ◆ Price : €83.8m
- ◆ GLA : 24 158 m²



Vallsur - Valladolid

- ◆ Acquisition Date : 31 July 2018
- ◆ Price : €91.6m
- ◆ GLA : 35 211 m²



Bahía Sur – Cádiz

- ◆ Acquisition Date : 31 July 2018
- ◆ Price : €120.9m
- ◆ GLA : 24 789 m²



El Faro - Badajoz

- ◆ Acquisition Date : 31 July 2018
- ◆ Price : €157.4m
- ◆ GLA : 43 423 m²



Los Arcos – Sevilla

- ◆ Acquisition Date : 31 July 2018
- ◆ Price : €110.7m
- ◆ GLA : 17 906 m²

Note: Acquisition price includes costs

Tenant Mix

Highly diversified retail portfolio

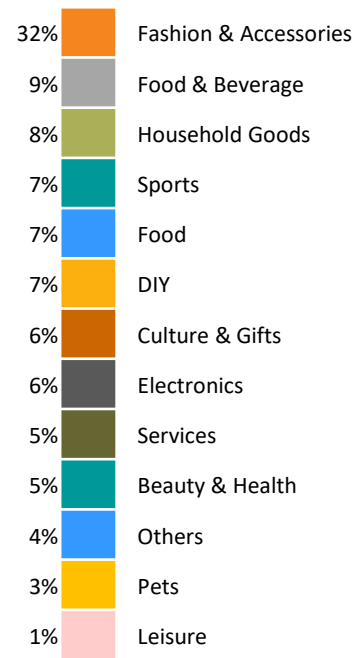
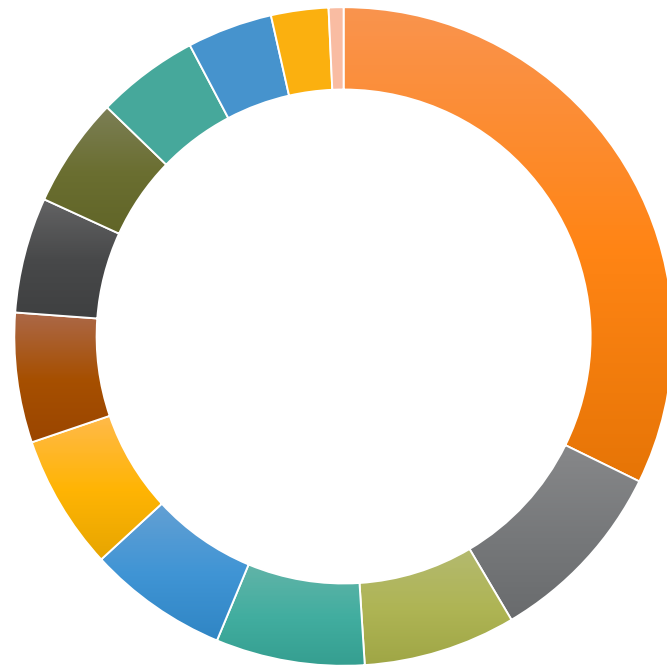
Assets
15

GLA
300 362 m²

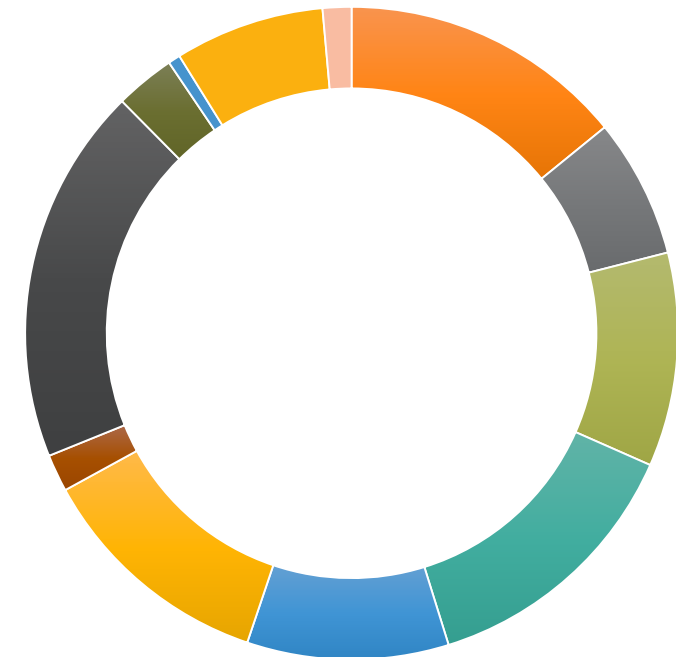
WALE ⁽ⁱ⁾
14.3 years

Occupancy
97.8%

Category profile by Rent - 31 March 2019



Category profile by Rent - 31 March 2018



(i) WALE is to expiry of lease excluding break options

Value Add Projects & Refurbishments

Granaita Leisure Centre - from 48% occupancy to 100% let and completely transformed

- ◆ Interior upgrade and **increased natural light**
- ◆ Customised high-visibility **children's play area**
- ◆ Attractive **outdoor terraces** to take advantage of favourable climate
- ◆ Additional **green areas**
- ◆ Improved **tenant mix offering**



Muerde
laPasta™



KIWOKO



Opening:
March 2019



Capex Spend:
€5.5m



Increase in NOI:
+€600k annualised



Yield on Capex:
11%



Value Add Projects & Refurbishments

Granaita Leisure Centre in Granada



Upcoming Operational Plans

Driving value through hands-on asset management

◆ Marketing

- Leverage customer knowledge **through new data sources**
- Enhanced **digital customer journey** through personalised communication
- Bring the **cities to our centres** – initiate regular events linked to our communities
- Upgrade the Castellana communication plan, **Castellana branding** & media strategy

◆ Asset Management Focus Areas

- Retail Parks: Additional **unit split** projects and enhancing **non-GLA income**
- Granaita: **Enhance the physical communication** within the total scheme
- Habaneras: 2nd floor repositioning to **increase restaurants and leisure component**
- URW Portfolio: **Reposition assets** including the purchase of tenant-owned boxes within the centres to reconfigure and improve the tenant mix

Proposed Investments & Value Add Projects

Opportunity to unlock additional value across portfolio

- ◆ Commencement Date : May 2019
- ◆ Completion Date : July 2020
- ◆ Total Investment : €115m (i)
- ◆ Annualised NOI Increase : +€7.6m (ii)
- ◆ Yield on Capex : 6.8% (ii)

Key Highlights

- ◆ **Acquisition of ECI-owned boxes** in Bahia Sur and Los Arcos centres concluded May 2019
- ◆ **Capex projects** totaling **€76m** to enhance dominance of the centres commencing in May 2019



Image: Bahia Sur's Hipercor unit owned by ECI



(i) All capex including acquisition and repositioning of ECI units as well as other capex across the portfolio, excluding minor regulatory works of €3m
 (ii) Once fully let , yield excludes minor regulatory works of €3m
 (iii) Including transaction costs
 (iv) Includes the acquisition of land and development of a new retail park at Bahia Sur

Bahía Sur – Project Overview

Cementing dominance of the centre by enhancing leisure and fashion mix

- ◆ Acquisition of two ECI-owned units: **€20.6m**
- ◆ Capex ECI units: **€17.6m**
- ◆ Purchase of adjacent land to develop **retail park boxes** to improve customer offering and further entrench centre as **dominant shopping, leisure and entertainment node** at an estimated cost of **€17.3m**
- ◆ Increase **Net Operating Income**
- ◆ Improve tenant mix with market-leading **leisure and fashion offerings**



Completion Date	Investment	Yield on Capex	Affected GLA
July 2020	€54.5m	6.2%	12 000 m ²

Los Arcos – Project Overview

Adding value by improving F&B, leisure and convenience shopping to be the dominant offering in Seville city centre

- ◆ Acquisition of the Hipercor unit: **€18.3m**
- ◆ Capex Hipercor units: **€6.3m**
- ◆ Incorporation of adjacent offices in the scheme to **enhance F&B and leisure offer** at a cost of **€5.4m**
- ◆ Increase in **Net Operating Income**
- ◆ Improve tenant mix with best of breed **food, fashion and homeware offerings**



Completion Date	Investment	Yield on Capex	Affected GLA
July 2020	€30m	5.8%	11 000 m ²

El Faro – Project Overview

Unlocking value by improving F&B and leisure to further cement dominance of centre

- ◆ Capex required: **€4.5m**
- ◆ Increase in **Net Operating Income**
- ◆ Improved tenant mix by replacing Bricor **with cinema, leisure and F&B offerings** to further enhance centre dominance
- ◆ Improve tenant mix with best of breed **fashion brands** at an estimated cost of **€0.4m**



Completion Date	Investment	Yield on Capex	Affected GLA
July 2020	€4.9m	12.2%	10 968 m ²

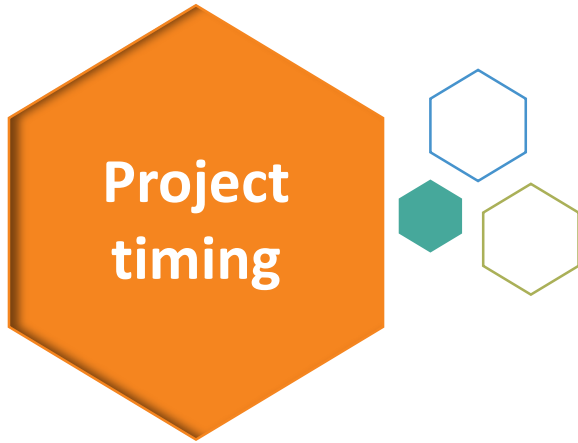
Capex on the rest of the portfolio

€25m of value-adding capex spread across the portfolio

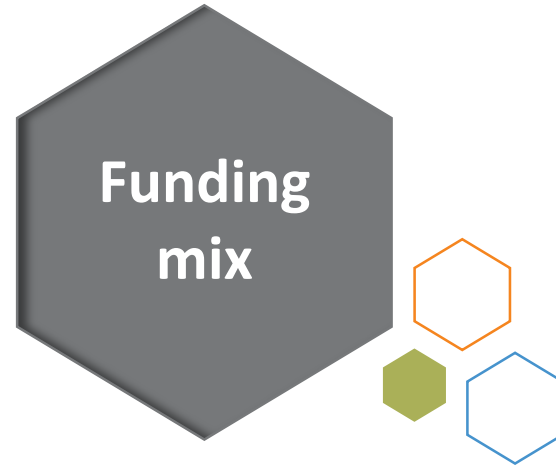
1	Vallsur	<ul style="list-style-type: none">◆ Reconfiguration of first floor to incorporate more F&B and leisure offerings at a cost of €10m◆ Reduce vacancies and introduce leading beauty retailers into the centre
2	Habaneras	<ul style="list-style-type: none">◆ Re-sizing of fashion boxes at a cost of €1.2m◆ Introducing more F&B and leisure to top floor at a cost of €1.4m
3	Granaita SC	<ul style="list-style-type: none">◆ Re-tenanting and purchase new stand-alone units at a cost of €1.8m◆ Integrating the three nodes – retail park, leisure centre and shopping centre
4	Pinatar	<ul style="list-style-type: none">◆ Purchase of phase 2 at a cost of €4m

Project Funding

Equity Capital already raised by Vukile



- ◇ Total **project cost of €115m** over 2 financial years
 - €94m required in FY2020
 - €21m required in FY2021



- ◇ Project funding to be split **50/50** equity and debt
 - All equity required for the project **already** raised by Vukile
 - Debt to be provided through Castellana's **existing funders**



- ◇ Expected **annualised return of 6.8%** on capex spent once fully let
 - Attractive forecast **cash-on-cash yield** of 10%



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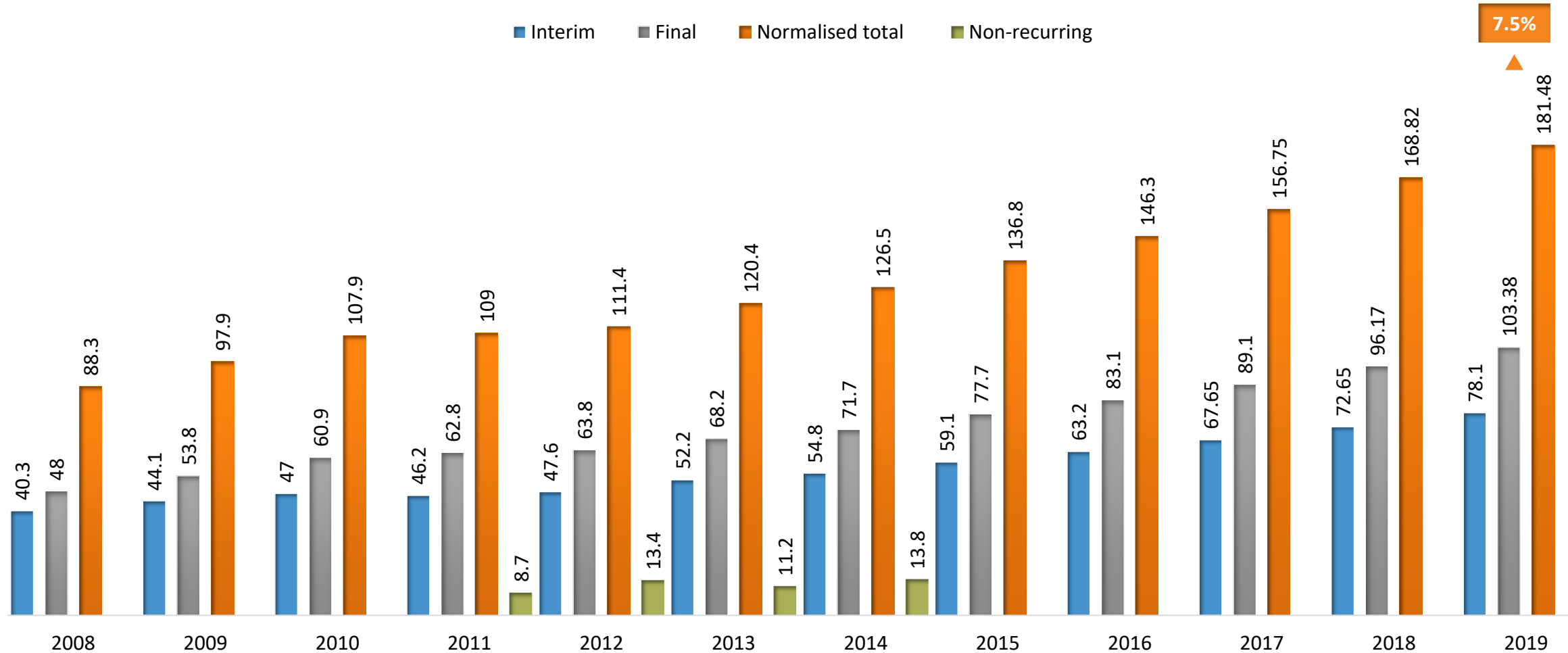
Financial Performance & Treasury Management

Mike Potts

Distribution history

Continuing 15 year trend of unbroken growth in distributions

Cents per share



Simplified income statement

R1.7bn distributable income for FY2019

	Mar-19 R'000	Mar-18 R'000	Variance %
Property Revenue	2 806 484	2 014 966	39.3
Property Expenses	(932 183)	(705 891)	(32.1)
Net profit from property operations	1 874 301	1 309 075	43.2
Corporate administration expenses	(199 371)	(127 474)	(56.4)
Investment and sundry income ⁽ⁱ⁾	344 815	323 255	6.7
Operating profit before finance costs	2 019 745	1 504 856	34.2
Finance costs	(509 749)	(367 808)	(38.6)
Profit before taxation	1 509 996	1 137 048	32.8
Taxation	(18 427)	(10 668)	(72.7)
Profit for the period	1 491 569	1 126 380	32.4
Profit share of associate	53 585	95 485	(43.9)
Cost of terminating interest rate swaps	-	(3 250)	-
Attributable to non controlling interests	(102 304)	(10 303)	>100.00
Attributable to Vukile Group	1 442 850	1 208 312	19.4

(i) Includes net interest from cross—currency interest rate swaps

Simplified income statement

R1.7bn distributable income for FY2019

	Mar-19 R'000	Mar-18 R'000	Variance %
Attributable to Vukile Group	1 442 850	1 208 312	19.4
Non-IFRS related adjustments:			
Accrued dividends and cum dividend on shares acquired	60 036	44 940 ⁽ⁱⁱ⁾	33.6
Dividends accrued on listed associate net of share of income	61 788	19 105	>100.0
Shares issued cum dividend – antecedent distribution	125 399	35 019	>100.0
Available for distribution to Vukile shareholders	1 690 073	1 307 376	29.3
Cash flow from operating activities	1 785 694	1 333 611	33.9
Proposed dividend (cents per share)	181.48	168.82	7.5

(ii) Shares in Castellana subsidiaries acquired cum dividend on 30 June 2017

Segmental income statement

Spain increasing its contribution to 35% of net profit from property operations

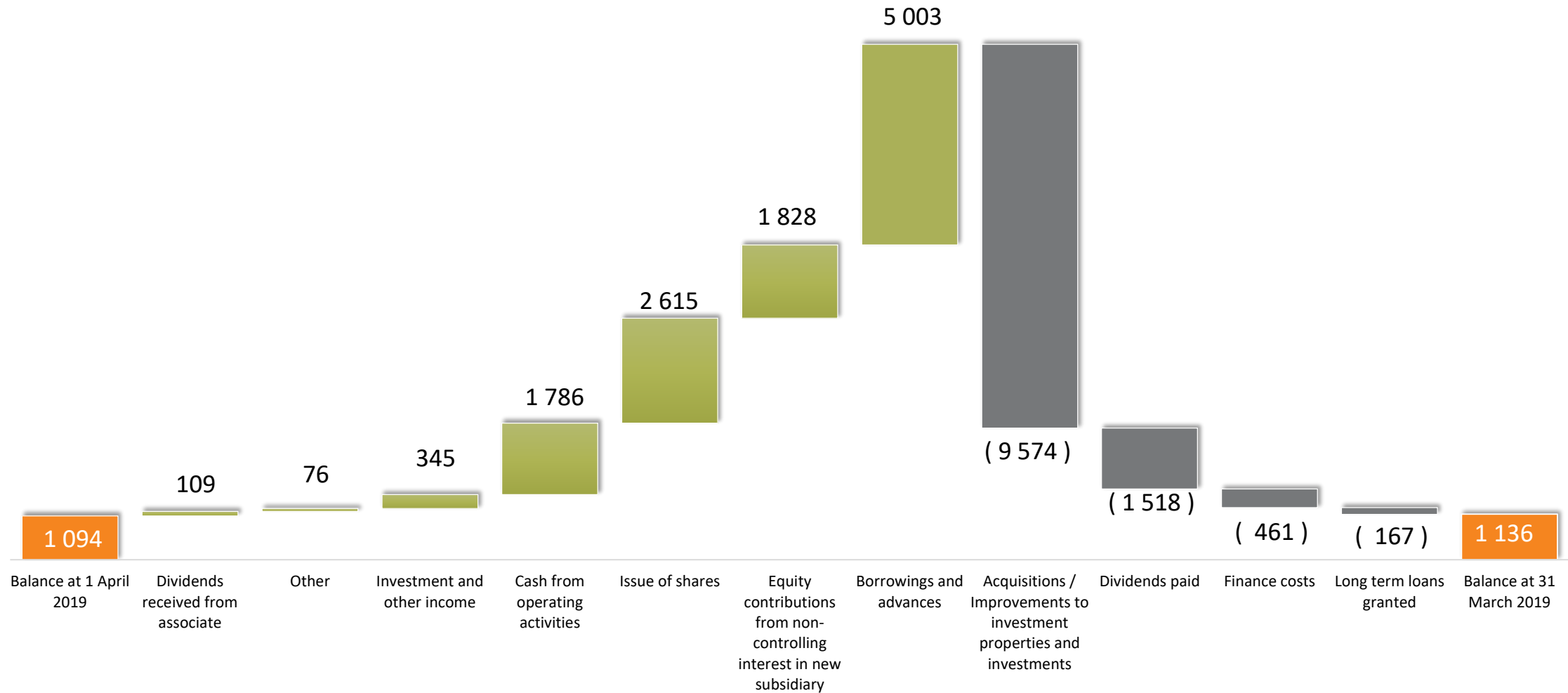
Operating segment analysis for the year ended 31 March 2019

	Retail R'000	Other R'000	Total Southern Africa R'000	Retail R'000	Other R'000	Total Spain R'000	Total Group R'000
Property revenue ⁽ⁱ⁾	1 348 238	140 686	1 488 924	668 327	29 653	697 980	2 186 904
Straight-line rental income accrual	25 937	2 706	28 643	(137)	-	(137)	28 506
	1 374 175	143 392	1 517 567	668 190	29 653	697 843	2 215 410
Property expenses (net of recoveries) ⁽ⁱ⁾	(277 689)	(5 548)	(283 237)	(29 345)	(21)	(29 366)	(312 603)
Net Profit from property operations	1 096 486	137 844	1 234 330	638 845	29 632	668 477	1 902 807
Profit from associate (Atlantic Leaf)			53 585				53 585

(i) The property revenue and property expenses in the segmental report have been reflected net of recoveries, in terms of the SA REIT Association's Best Practice Recommendations. The audited consolidated statement of profit and loss reflects gross property revenue and gross property expenses.

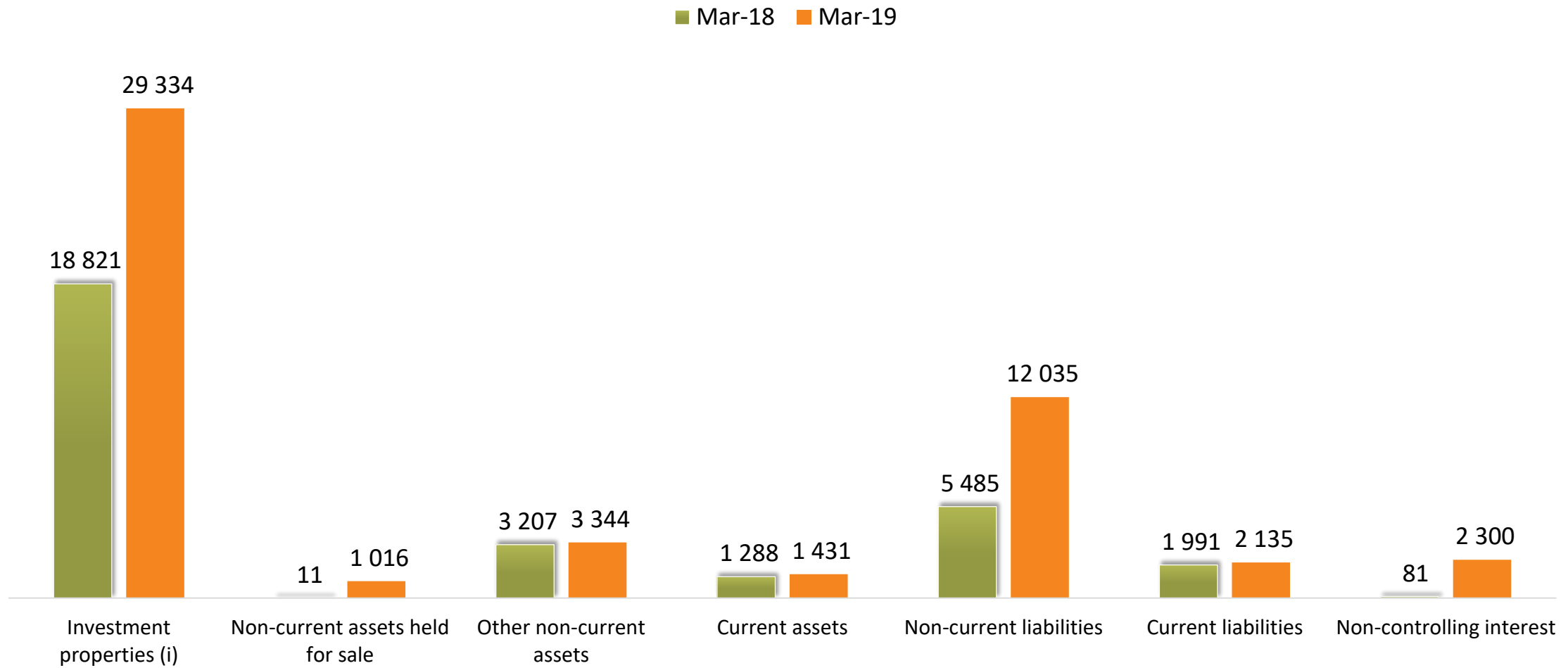
Group net cash flow – (R'm)

Dividend fully covered by cash flows from operating activities



Group balance sheet – (R'm)

Assets and liabilities at 31 March 2019

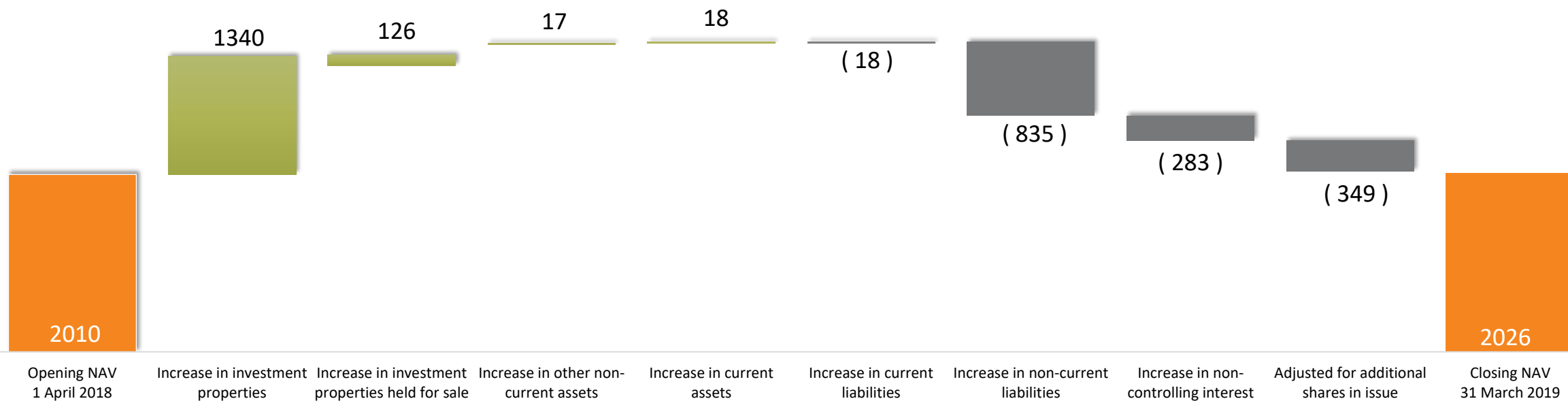


(i) Includes properties under development, net of straight-lining

NAV Bridge – (Cents)

Increase in NAV to 2026 cps

- ◆ The fair value of investments increased by **R804m** for the year (87 cps)
- ◆ This increase to NAV was offset by:
 - Unrealised fair value loss on listed property shares: **R88m**
 - Unrealised foreign exchange loss on foreign loans: **R66m**
 - Impairment of goodwill: **R48m**
 - Fair value loss on net settled derivatives: **R208m**
- ◆ The group's NAV would increase to **2070 cents** if the impact of these temporary items are excluded



Key debt and foreign exchange metrics

Good progress in reducing LTV and strong ICR

- ◆ Reduced **Group cost of funding** to **4.5%** (South Africa 9.2%) from **5.7%** (South Africa 9.2%)
- ◆ Strong cash flow compared with net interest cost with **Interest cover ratio** of **6 times** ^(vi)
- ◆ **Stress testing reveals that the portfolio would need to undergo a 67% reduction in EBITDA** before reaching 2 times bank covenant level
- ◆ Solid balance sheet with a **loan to value ratio** of **37.2%** ⁽ⁱ⁾, **gearing ratio** of **37.0%** ⁽ⁱⁱ⁾ and **“see-through” LTV** of **38.9%** ^(xx)
- ◆ A **25%** weakening of the ZAR spot rate to the EUR from **16.26** to **20.32** will only increase Vukile’s **LTV** to **39.5%**
- ◆ **95.7%** ⁽ⁱⁱⁱ⁾ of Interest bearing debt hedged with a **3.6 year** fixed rate (swap & fixed debt) maturity profile
- ◆ **R1.2bn** of Corporate Bonds issued and **R7.4bn** of bank facilities negotiated or extended during the 12-month period
- ◆ **R1.4bn** of bank debt expiring in FY2020 will be refinanced, currently **R1.1bn** already in advanced negotiations. No corporate bonds are to expire in FY2020
- ◆ **75.2%** of forecast **Net EUR income** from Castellana hedged over the next **2½ years**
- ◆ **86.0%** of forecast **Net GBP income** from Atlantic Leaf hedged over the next **2 years**

(i), (ii), (iii), (iv) and (xx) defined in Appendix C: Notes to Treasury Management Slides

Segmental loan-to-value and interest cover ratios

Low risk conservative balance sheet

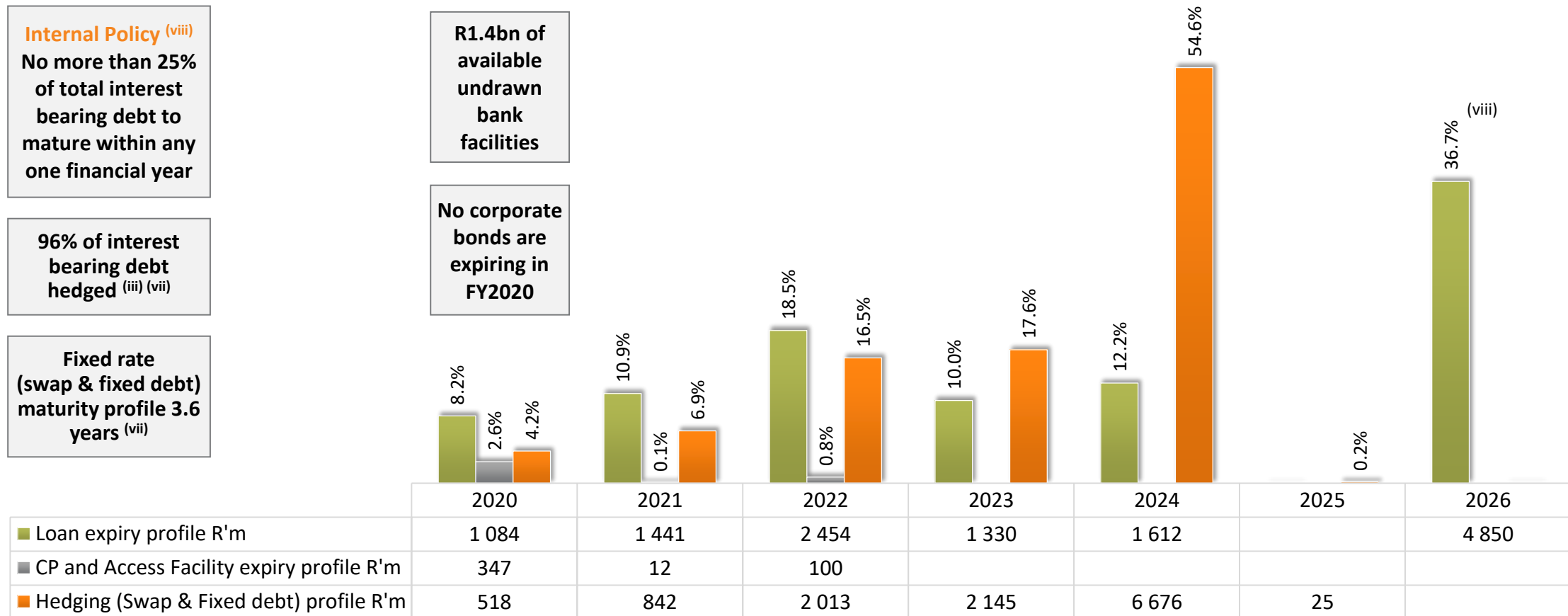
	Southern Africa R'000	Spain €'000	Group R'000	Internal Policy at Group level
Loan-to-value ratio (net of cash and cash equivalents) ⁽ⁱ⁾	29.98%	45.93%	37.18 %	35% - 40%
Loan-to-value covenant level	50%	65%	50%	
LTV stress level margin (% asset value reduction to respective covenant levels)	35%	24%	20%	
LTV stress level amount (asset value reduction to respective covenant levels)	R6 266 262	€ 223 626	R6 522 696	
Interest cover ratio ^(vi)	7.94 times	4.07 times	6.05 times	
Interest cover ratio covenant level	2 times	2 times	2 times	
ICR stress level margin (% EBITDA reduction to respective covenant levels)	75%	51%	67%	
ICR stress level amount (EBITDA reduction to respective covenant levels)	R909 634	€ 18 534	R1 210 979	
Interest bearing debt hedged ^{(iii) (vii)}	91.67%	98.66%	95.68%	> 75%
Fixed rate (swap) maturity profile	2.66 years	4.16 years	3.55 years	> 3 years
Debt maturity profile	2.01 years	5.46 years	3.92 years	

(i), (iii), (vi) and (vii) defined in Appendix C: Notes to Treasury Management Slides

Analysis of Group loan repayment and hedging expiry profile

Well hedged with low risk expiry profile

Group loan and hedging (swap & fixed debt) expiry profile

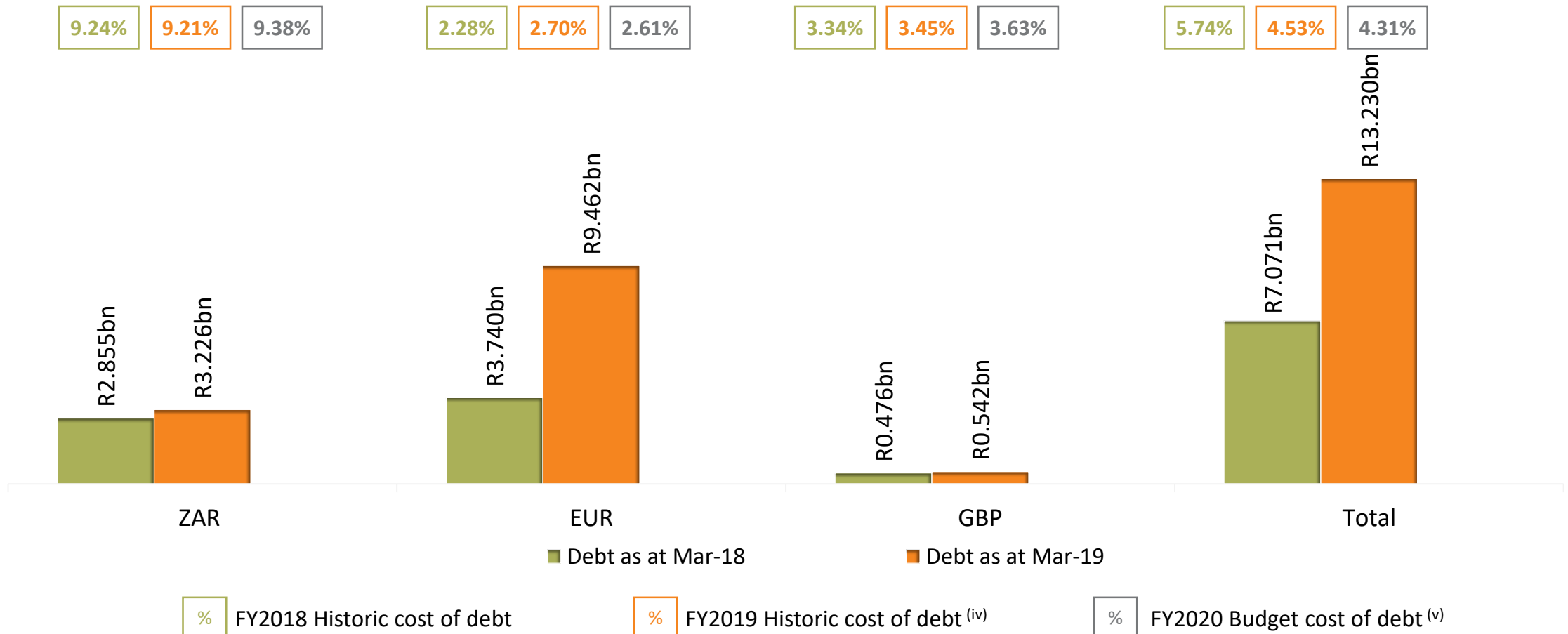


(iii), (vii) and (viii) defined in Appendix C: Notes to Treasury Management Slides

Cost of funding

Reduction in Group cost of finance due to funding mix

Group Debt by Currency



(iv) and (v) defined in Appendix C: Notes to treasury management slides



5

Vukile Academy
Sedise Moseneke

Vukile Academy launch in March 2019



Vukile Academy

Real deliverables for a real world

- ◆ The Academy is our **skills development programme** that was officially launched at the beginning of calendar year 2019, it comprises of **the bursary fund, the internship and the entrepreneur development programme**
- ◆ **Vukile**, through the Academy, has **awarded and funded 55 bursaries to top performing black students** across different curriculums related to the property sector at a cost of R5.2m
- ◆ The Academy delivers **a fully funded bursary programme** for final year and honours students, while offering them mentorship and personal mastery growth
- ◆ **8 top candidates (out of 52 applications) from our partnerships with tertiary institutions ⁽ⁱ⁾** were selected to serve as interns for the calendar year 2019. The interns are on a **fixed term employment contract**
- ◆ The main focus of the internship programme is to **empower the candidates with the Vukile Brand DNA**
- ◆ The internship is based on an 11 module programme, **which was designed with experts from tertiary institutions, the property sector as well as life-coaches**, the 12th module is a graduation

(i) SAPOA, WPN, SAIBPP, University of Pretoria, Wits University and University of KZN

Top 8 Academy candidates



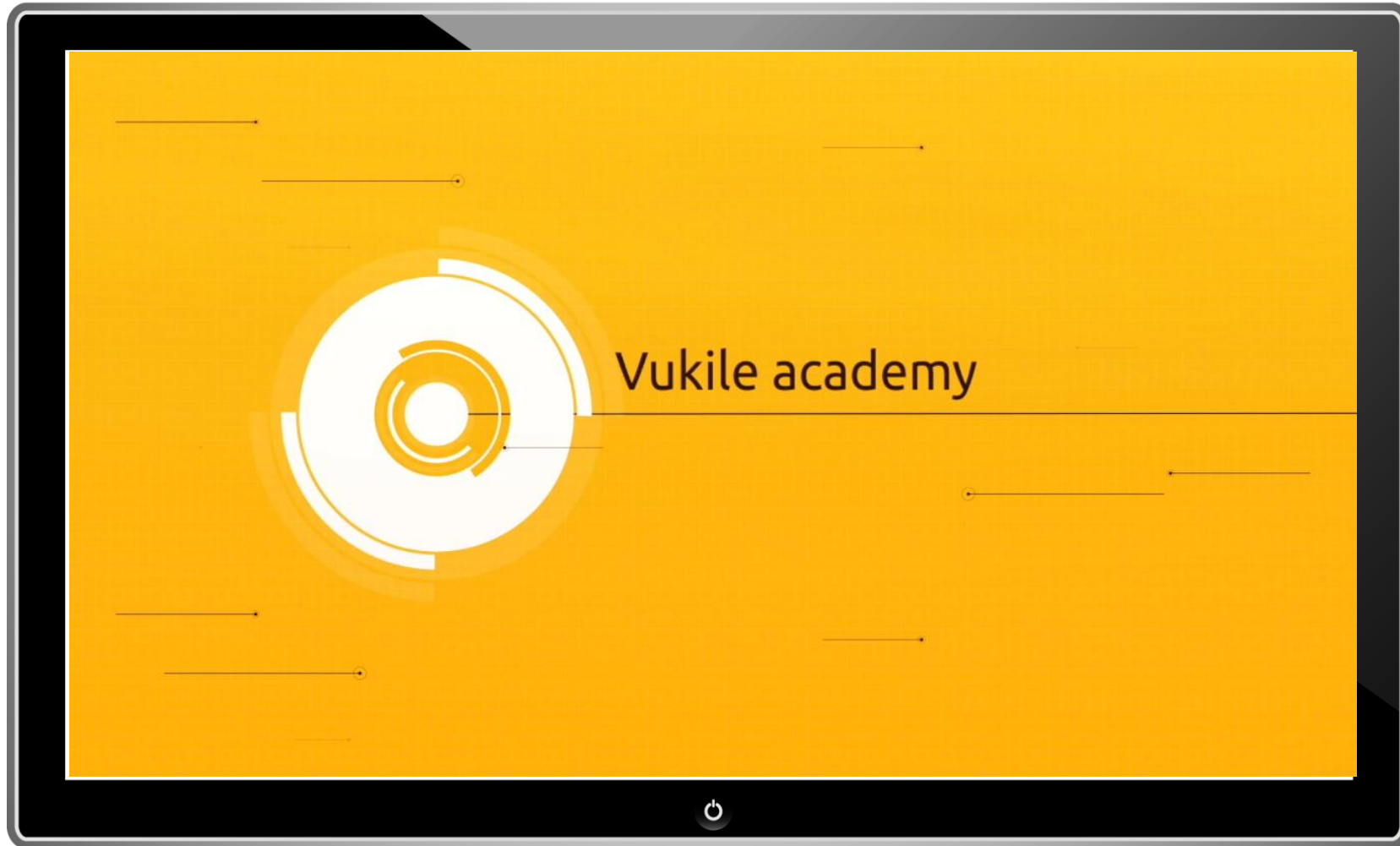
Vukile Academy - Internship

Making a meaningful impact - Internship

- ◆ The Academy internship is a **unique, industry leading development** platform
- ◆ The programme is structured to transfer knowledge related to **property specific skills** and to also create **well rounded individuals** through a personalized mastery programme
- ◆ The **third element** of the Academy is designed to give our interns **REAL LIFE experiences on REAL LIFE projects**
- ◆ **3 projects** have been selected for the 2019 calendar year – **2 retail and 1 student residential development**
- ◆ The projects are in partnership with black entrepreneurs to assist them to realize their dreams
- ◆ The **Vukile Community Participation and Liaison Policy** is an ongoing project, across 7 locations. It identifies opportunities to make the lives of the communities around our shopping centers better
- ◆ We have nurtured loyalty and created a sense of belonging through these projects:
 - **Afrika Tikkun**
 - **Umastandi**
 - **Black Suppliers**
 - **Neh! Woven Food Vendors Enterprise Development**
 - **Dream Room – Reach For A Dream**

Vukile Academy - Internship

Making a meaningful impact - Internship





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Key initiatives in the year ahead
Laurence Rapp

Management changes

Welcoming our new executives in a seamless transition



- ◆ Former CFO of Hyprop
- ◆ Extensive experience and knowledge of REITs and retail assets in SA and abroad
- ◆ Already very well integrated into the team
- ◆ Strong alignment of values with the team
- ◆ Assumes role of CFO and joins the Vukile Board effective 1 July 2019



- ◆ Been with Vukile since 2012
- ◆ Currently Head of Asset Management SA
- ◆ Mentored by Ina Lopion over the past two years
- ◆ Great understanding of the sector and strong track record of delivery
- ◆ Appointed as MD Southern Africa and joins the Board effective 1 July 2019

Transactions in process

Active recycling of assets

Non-core assets deals in progress

- ◆ Sale of **non-retail SA portfolio** to a BEE group currently under evaluation
 - Strong focus on skills development further demonstrating Vukile’s commitment to transformation in the sector
- ◆ Sale of the **Namibian Portfolio**
 - Currently at advanced stage of a trade sale where Vukile will retain a 30% stake for the time being
 - Would consider a listing as an alternative exit strategy should the deal not finalise



Core strategic deals in progress

- ◆ Evaluating buying out the **underwriter** from the Project West transaction
 - Lowest risk deal is to buy our own assets
- ◆ **El Corte Ingles** transaction
 - Very exciting initiative to add value to existing assets through both NOI growth and cap rate compression resulting from greater ownership percentage of the centres
- ◆ Nurturing a solid pipeline of **accretive transactions** in Spain
- ◆ Acquisition of portfolio from **Rebosis** currently in due diligence

Rebosis Transaction

Strategically aligned acquisition of three shopping centres currently being evaluated

- ◆ Announced transaction on **13 May 2019**
- ◆ Acquisition of three shopping centres for an aggregate price of **R1.78bn**
- ◆ Mdantstane Mall, Bloed Street Mall and Sunnypark are **consistent with Vukile's strategy** and focus on mid- to lower LSM centres operating in townships or highly dense CBD's, benefiting from high footfall and strong national tenant leases
- ◆ Deal still has numerous **conditions precedent** before being finalised
 - Due diligence approval by Vukile in its sole discretion currently underway
 - Competition Commission approval
 - Rebosis shareholder approval
 - Specific Vukile shareholder approval to fund the acquisition
 - Funding needs to be raised on terms acceptable to Vukile
 - Deal will reduce LTV, as Vukile is prepared to take on no more than 25% debt to fund the transaction
- ◆ Market will be updated on progress of the deal as key milestones are reached

Listed Investments

Looking for opportunities to recycle into core strategies

Gemgrow

- ◆ Supportive of proposed Arrowhead transaction
- ◆ Potential consolidation opportunities driven off the A/B share structure
- ◆ Cost savings to benefit shareholders
- ◆ Creates greater scale and index inclusion for the enlarged entity
- ◆ Reduces Vukile holding to 10%
- ◆ Makes for an easier exit due to relatively smaller percentage shareholding, greater scale and liquidity
- ◆ Non-core holding and keen to find an exit

Atlantic Leaf

- ◆ Continues to deliver in line with mandate and expectations
- ◆ Focus on recycling their assets to have an even greater focus on warehousing and logistics to further strengthen the fund
- ◆ No concerns about the business and earnings outlook but looking difficult to scale the operation
- ◆ Continue to work with management to find appropriate solutions and potential exit for Vukile
- ◆ Proceeds would be deployed in Spain

Fairvest

- ◆ Ongoing strong performance
- ◆ Delivers above market growth rates
- ◆ Aligned to Vukile's core retail focus
- ◆ No immediate plans to exit but will continue to monitor total shareholder's returns

Looking to the future of shopping centres

Positioning the business for long term sustainability

- ◆ Retail apocalypse story is **grossly exaggerated** and shopping centres are not dying but...
- ◆ ... change is happening at a rapid rate creating the need for a more **agile organisation** and approach to shopping centre ownership
- ◆ What will the **future of shopping centre ownership** look like in five and ten years time?
- ◆ What **key skills** and **core competencies** will be required?
- ◆ Deep **understanding of the customer** and consumer behaviour lies at the heart of this journey
 - **Placing the customer at the centre of everything we do**
- ◆ Embarking on a process with external consultants to help us navigate this transition and build the required skills in both Vukile and Castellana
- ◆ May well require **investment** in new ventures and skills
- ◆ Aim to spend the better part of the next year developing this strategy to manage and **thrive in a world of disruption** to ensure we remain the best shopping centre owners and managers we can be

Southern Africa

Internally focussed strategy to drive operational performance

- ◆ Anticipate another **challenging period** ahead for the local economy
- ◆ Portfolio is **defensively positioned** with **92%** retail exposure with a specific focus on LSMs 1-7
- ◆ Defensive tenant mix with approximately **80% national tenants** and large grocery component at low rent to sales ratios
- ◆ Local activity will be focused on **expansions and upgrades** to existing centres
- ◆ Continued strong **operational focus** to drive results with a specific objective to **reduce vacancies and operating costs**
- ◆ Growing focus on **consumer analytics** and alternative income streams gathering momentum
- ◆ **Installation of fibre** at 35 centres is a key foundation for our future strategy
- ◆ Appetite to invest further in South Africa through buying the **right assets at the right price** as evidenced by the current Rebasis transaction that is under evaluation
- ◆ Look to **recycle non-core assets** and investments where appropriate without harming earnings momentum
- ◆ Retain an **opportunistic and entrepreneurial approach to deal-making** but always to be strategically consistent with our retail focus and **driven by long term fundamentals**

Spanish strategy

Building off a solid foundation with potential to become a dominant market participant

- ◆ Spanish **retail and economic fundamentals** remain positive; not an over-retailed market with 560 retail assets
 - Spanish consumer and **social culture** together with large **tourist market** provides a defensive position against online retail sales
- ◆ Remain focused on **the retail sector** including retail parks and shopping centres
- ◆ Critical to our success is that we **operate as locals on the ground**
- ◆ Focus on value added **asset management** initiatives and driving operational excellence
- ◆ Currently seeing very **good deal flow** with Castellana known as a **credible and trustworthy buyer**
- ◆ Good **organic acquisition opportunities** allied to existing assets including buying owner occupied boxes
- ◆ Strong focus on **corporate governance**
- ◆ Internal management structure with complete alignment between key staff and investors through the recently implemented **long term incentive plan** that rewards growth in dividends as the key metric
- ◆ **Window of opportunity** to really dominate the market
 - US private equity funds need to return capital and sell assets
 - Negative perception of retail means less competition for assets
 - Need to be alert to exciting corporate opportunities



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Prospects
Laurence Rapp

Prospects

- ◆ The Vukile business remains in very good shape; **operationally, financially and strategically**
- ◆ Clearly **focused retail strategy** in both South Africa and Spain is providing benefits in each of these markets as seen by the strong operational performances
- ◆ At group level, the macro-economic **benefits of diversification** for South African investors is evident.
- ◆ Decision making is all geared towards making the right decisions for the **long term sustainability** of the business and trying to ensure we are not caught up in short termism
- ◆ We are pleased with the progress we have made in **reducing our LTV** from approximately 42% at the time of the Unibail-Rodamco-Westfields acquisition, to the current level of 37%
- ◆ Will continue to remain very focused on **balance sheet strength** and overall **risk management**
- ◆ The business remains very **well positioned for long-term sustainability and growth**

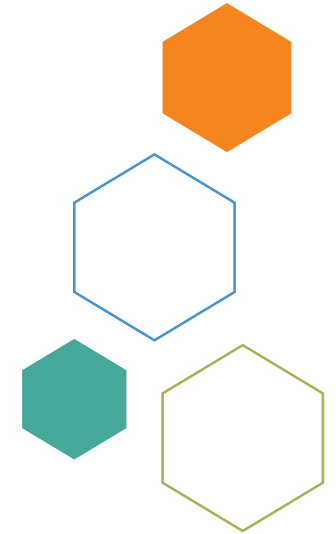
DPS outlook for FY2020

- ◆ Expect dividends to grow by between **3% to 5%** in FY2020
- ◆ The guidance range takes into consideration that Vukile is **currently in negotiations**, some at advanced stages, to recycle certain non-core assets and redeploy the proceeds into core market opportunities.
 - The forecast for the year can be impacted by the closing and timing of the transactions
 - The proposed Rebosis transaction has not been factored in to the forecast
- ◆ Once Vukile has greater clarity and certainty on the finalisation of these deals and resultant impact on the forecast for FY2020, Vukile will **update the market** via a SENS announcement
- ◆ Important to note that the forecast for FY2020 contains certain cost and base-related items that are providing a **drag of approximately 2%** in the current year which should not repeat going forward

Acknowledgements



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






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Q&A



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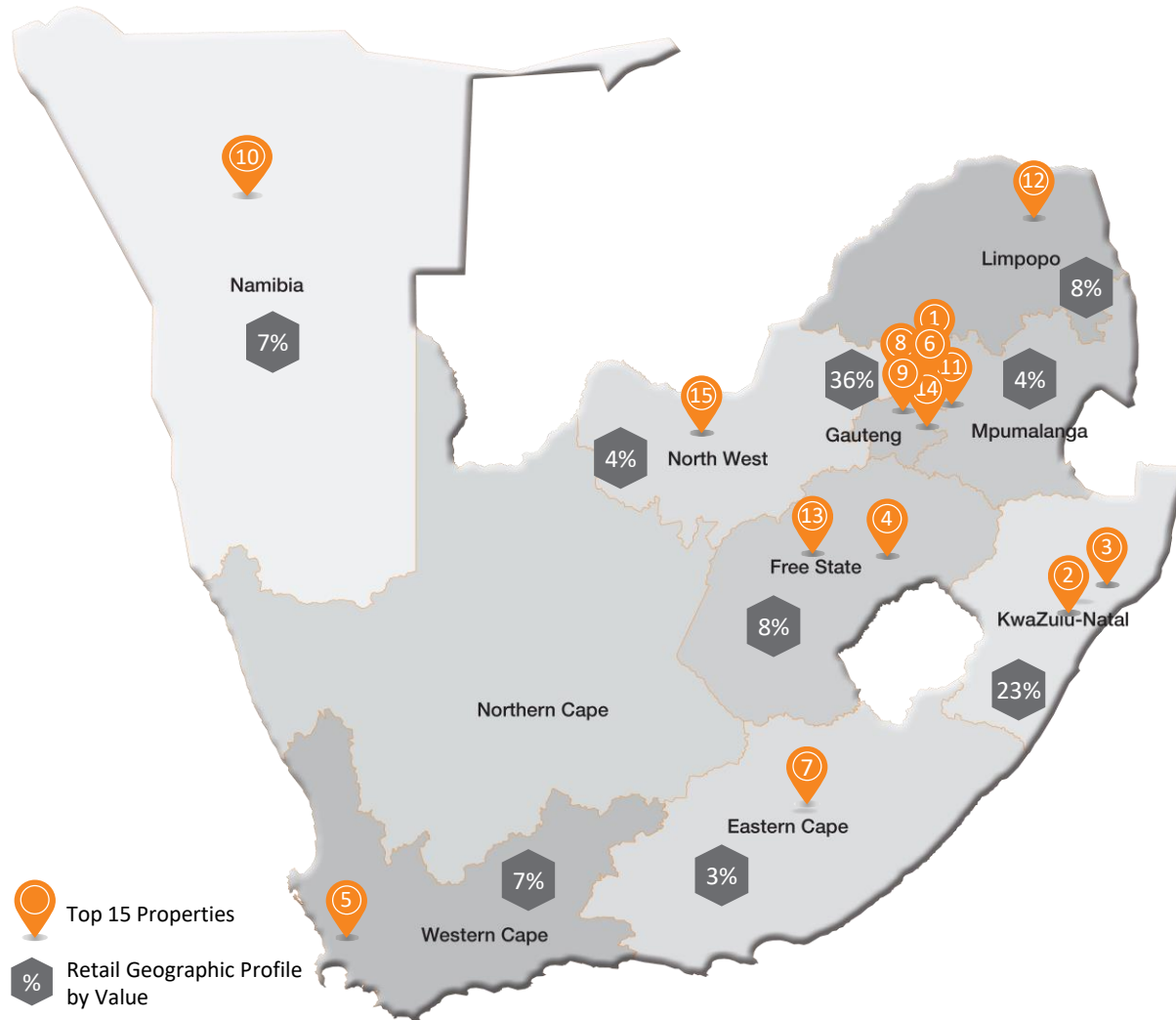
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Appendices

Our Southern Africa retail footprint

Retail portfolio profile (Top 15 properties 64% of portfolio by value)



- | | |
|-------------------------|-----------------------|
| 1 East Rand Mall | 9 Meadowdale Mall |
| 2 Pine Crest | 10 Oshakati |
| 3 Phoenix Plaza | 11 Daveyton |
| 4 Maluti Crescent | 12 Thavhani Mall |
| 5 Gugulethu Square | 13 Bloemfontein Plaza |
| 6 Dobsonville Mall | 14 Randburg Square |
| 7 Nonesi Mall | 15 Moruleng Mall |
| 8 Kolonnade Retail Park | |

High quality retail assets

Top 15 assets

	East Rand Mall	Pine Crest	Phoenix Plaza	Maluti Crescent	Gugulethu Square
GAV	R1 433m	R1 047m	R940m	R667m	R553m
 Region	Gauteng	KwaZulu-Natal	KwaZulu-Natal	Free State	Western Cape
 Gross Lettable Area	68 253m ²	43 414m ²	24 231m ²	35 335m ²	25 322m ²
 Monthly Rental	R278/m ²	R175/m ²	R273/m ²	R144/m ²	R164/m ²
 National Tenant exposure	94%	91%	78%	94%	88%
 Vukile Ownership	50%	100%	100%	100%	100%
 Approx. Footfall	10.2m	11.2m	10.4m	6.5m	11.5m
 Vacancy	1.8%	4.1% Development vacancy	1.0%	1.2% Development vacancy	Fully Let

High quality retail assets








Top 15 assets (cont.)

	Dobsonville Mall	Nonesi Mall	Kolonnade Retail Park	Meadowdale Mall	Oshakati Shopping Centre
					
GAV	R546m	R500m	R497m	R438m	R428m
 Region	Gauteng	Eastern Cape	Gauteng	Gauteng	Namibia
 Gross Lettable Area	26 589m ²	27 898m ²	39 450m ²	49 487m ²	24 632m ²
 Monthly Rental	R141/m ²	R128/m ²	R108/m ²	R81/m ²	R138/m ²
 National Tenant exposure	82%	97%	83%	81%	94%
 Vukile Ownership	100%	100%	100%	67%	100%
 Approx. Footfall	11.7m	8.2m	8.8m ⁽ⁱ⁾	9.8m ⁽ⁱ⁾	5.1m ⁽ⁱ⁾
 Vacancy	Fully Let	Fully Let	Fully Let	Fully Let	2.4%

(i) Estimate

High quality retail assets

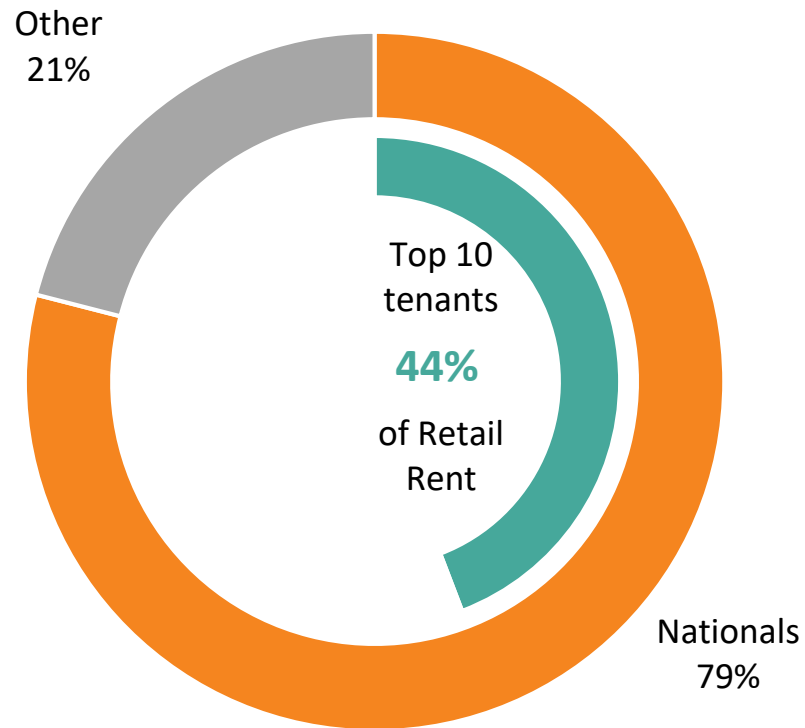
Top 15 assets (cont.)

	Daveyton Shopping Centre	Thavhani Mall	Bloemfontein Plaza	Randburg Square	Moruleng Mall
GAV	R421m	R414m	R411m	R409m	R399m
 Region	Gauteng	Limpopo	Free State	Gauteng	North West
 Gross Lettable Area	17 774m ²	53 289m ²	43 771m ²	40 767m ²	31 592m ²
 Monthly Rental	R166/m ²	R165/m ²	R88/m ²	R104/m ²	R118/m ²
 National Tenant exposure	83%	92%	56%	78%	86%
 Vukile Ownership	100%	33%	100%	100%	80%
 Approx. Footfall	7.9m	9.3m	8.8m	7.4m	3.9m
 Vacancy	1.4%	0.9%	2.0%	5.6%	4.9%

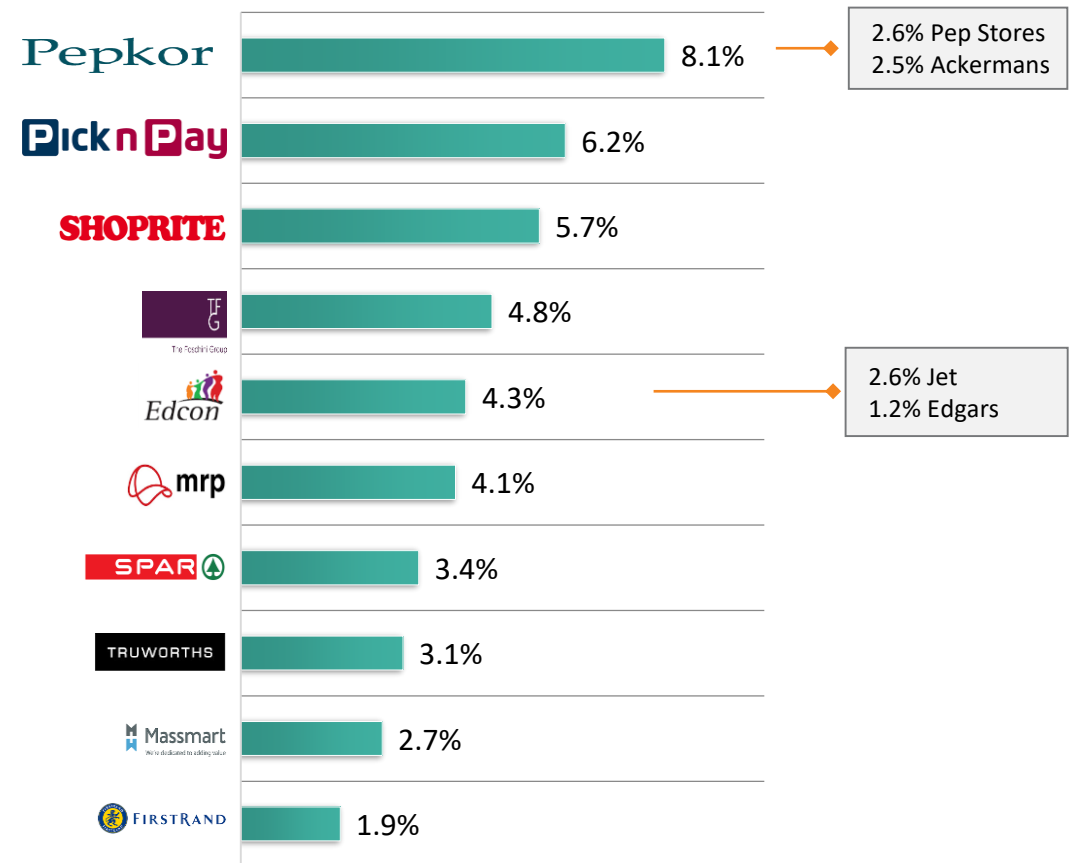
Retail tenant exposure

Direct Southern African Retail Portfolio

Tenant profile - by Contractual Rent



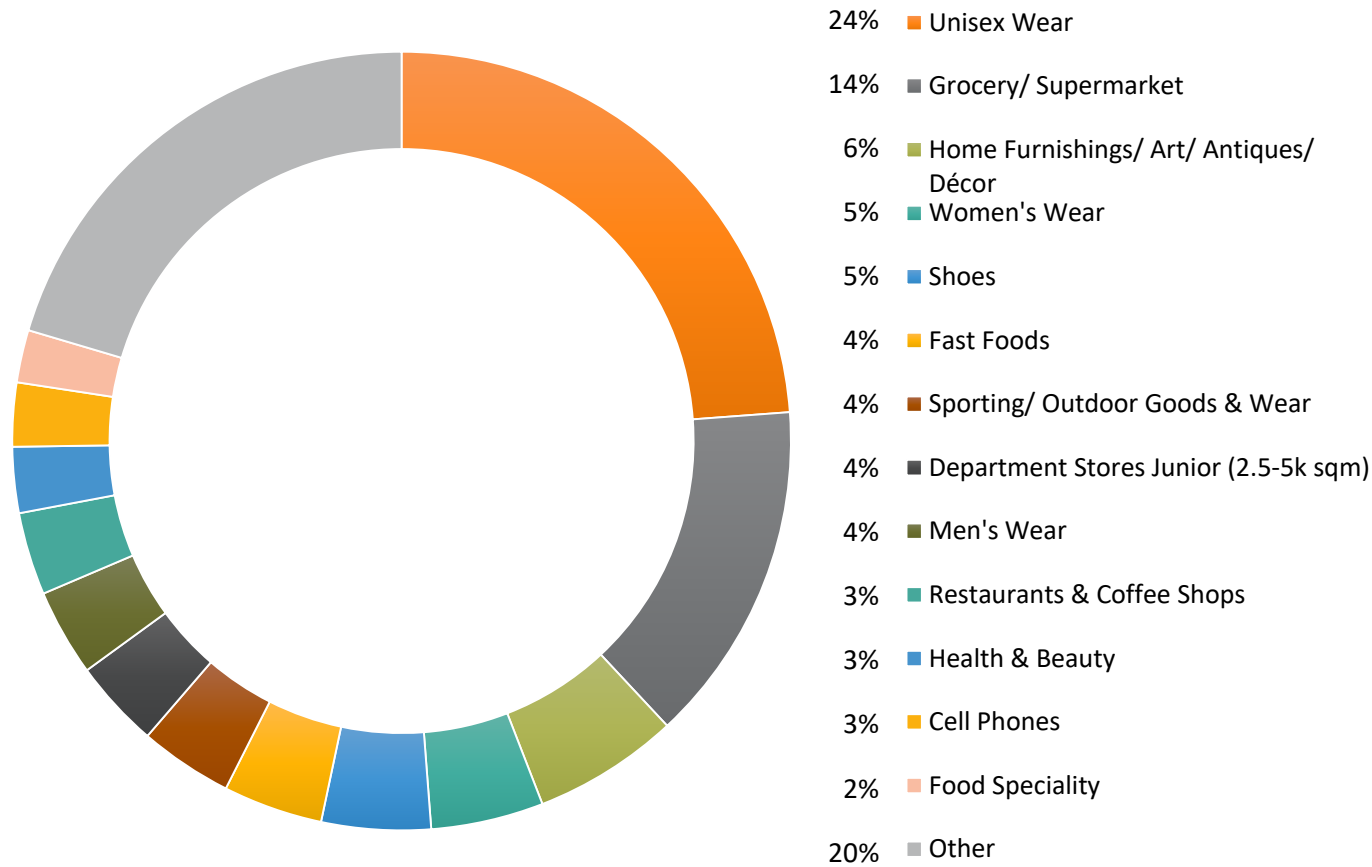
Top 10 tenants - by Contractual Rent



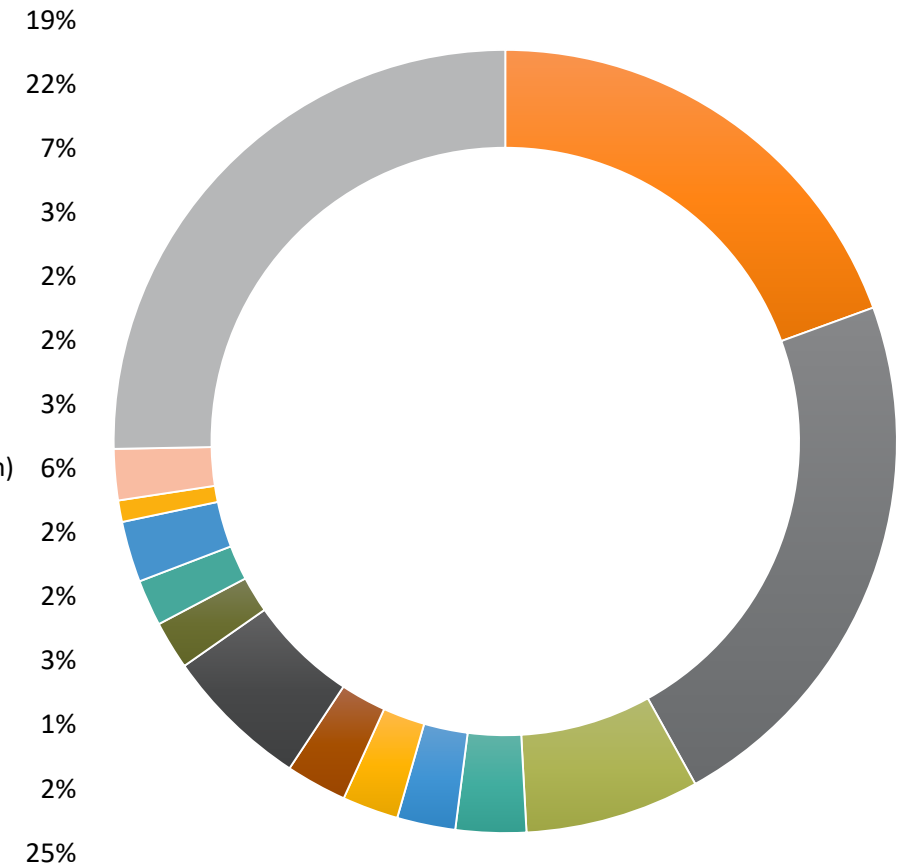
Retail tenant exposure

Well diversified tenant mix

Category profile - by Contractual Rent

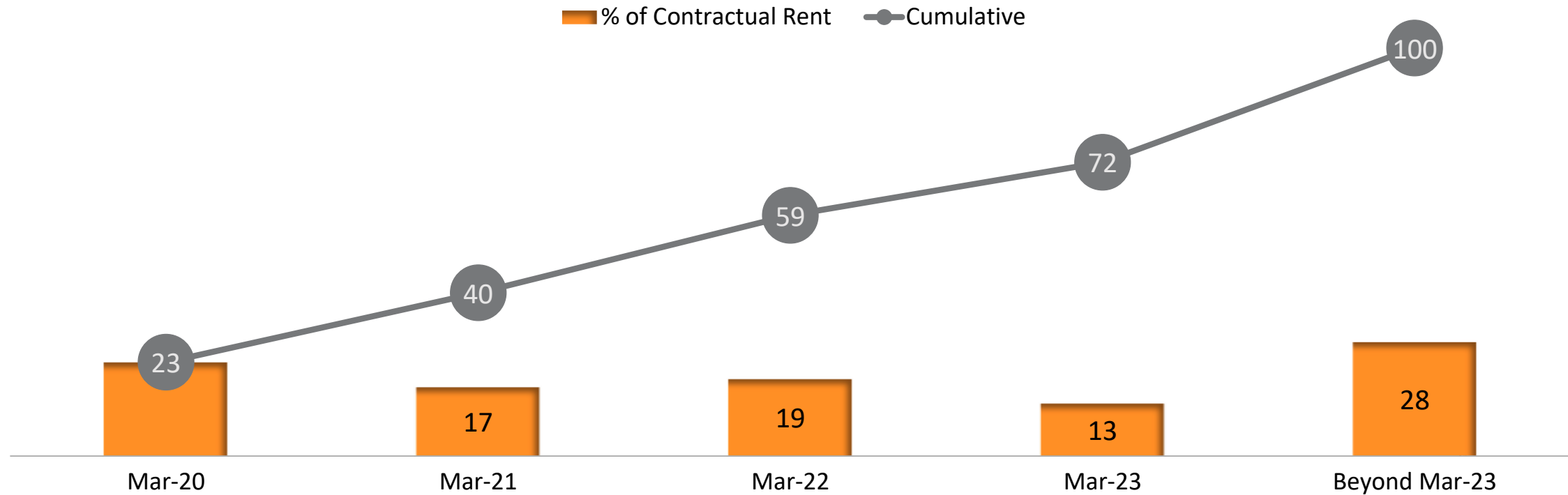


Category profile - by GLA



Retail tenant expiry profile

41% of contractual rent expiring in FY2023 and beyond (WALE 4.0 years)



For the 12 months ended 31 March 2019 Retail leases were concluded with:

- ◇ Total contract value R1 658m
- ◇ Total rentable area 181 123m²
- ◇ Tenant Retention 87%

Retail vacancies

33 Properties Fully let / Vacancies lower than 1 000m²

Fully Let

Ga-Kgapane Modjadji Plaza
 Germiston Meadowdale Mall
 Giyani Plaza
 Gugulethu Square
 Mbombela Truworh's Centre
 Pietermaritzburg The Victoria Centre
 Pretoria Kolonnade Retail Park
 Queenstown Nonesi Mall
 Rustenburg Edgars Building
 Soweto Dobsonville Mall

Vacancy lower than 1 000m²

Soshanguve Batho Plaza (949m²; 7.1%)
 Monsterlus Moratiwa Crossing (886m²; 7.4%)
 Bloemfontein Plaza (860m²; 2.0%)
 Ulundi King Senzangakona Shopping Centre (852m²; 3.8%)
 Tzaneen Maake Plaza (621m²; 5.6%)
 Boksburg East Rand Mall (619m²; 1.8%)
 Oshakati Shopping Centre (600m²; 2.4%)
 Katutura Shoprite Centre (567m²; 5.3%)
 Hammarsdale Junction (530m²; 2.6%)
 Roodepoort Ruimsig Shopping Centre (528m²; 4.6%)
 Hammanskraal Renbro Shopping Centre (438m²; 3.3%)
 Makhado Nzhelele Valley Shopping Centre (347m²; 6.5%)
 Atlantis City Shopping Centre (335m²; 1.5%)
 Elim Hubiyeni Shopping Centre (323m²; 2.5%)
 Daveyton Shopping Centre (254m²; 1.4%)
 Durban Phoenix Plaza (248m²; 1.0%)
 Thohoyandou Thavhani Mall (154m²; 0.9%)
 KwaMashu Shopping Centre (141m²; 1.3%)
 Ondangwa Shoprite Centre (122m²; 2.1%)
 Durban Workshop (101m²; 0.5%)
 Ermelo Game Centre (84m²; 1.3%)
 Piet Retief Shopping Centre (72m²; 1.0%)
 Springs Mall (57m²; 0.4%)

Vacancy greater than 1 000m²

Mbombela Shoprite Centre (2 847m²; 20.3%)
 Randburg Square (2 267m²; 5.6%)
 Roodepoort Hillfox Power Centre (2 037m²; 5.3%)
 Windhoek 269 Independence Avenue (2 003m²; 15.6%)
 Letlhabile Mall (1 811m²; 10.7%)
 Emalaheni Highland Mews (1 512m²; 8.9%)
 Moruleng Mall (1 241m²; 4.9%)
 Oshikango Shopping Centre (1 087m²; 11.9%)
 Vereeniging Bedworth Centre (1 066m²; 3.1%)

Development Vacancy

Pinetown Pine Crest (1 790m²; 4.1%)
 Welgedacht Van Riebeeckshof Shopping Centre (612m²; 11.8%)
 Phuthaditjhaba Maluti Crescent (438m²; 1.2%)

33
66%
1.7% Properties of Retail Portfolio GLA Vacant

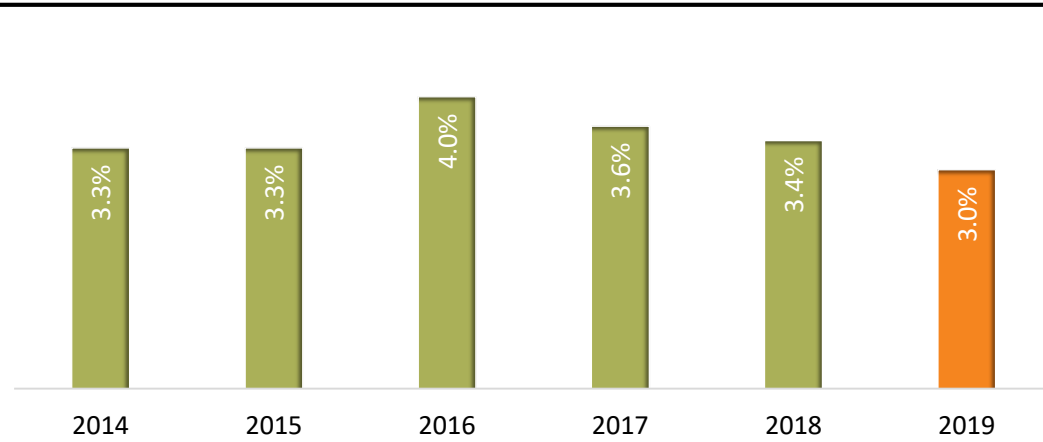
9
24%
7.6% Properties of Retail Portfolio GLA Vacant

3
10%
3.4% Properties of Retail Portfolio GLA Development Vacancy

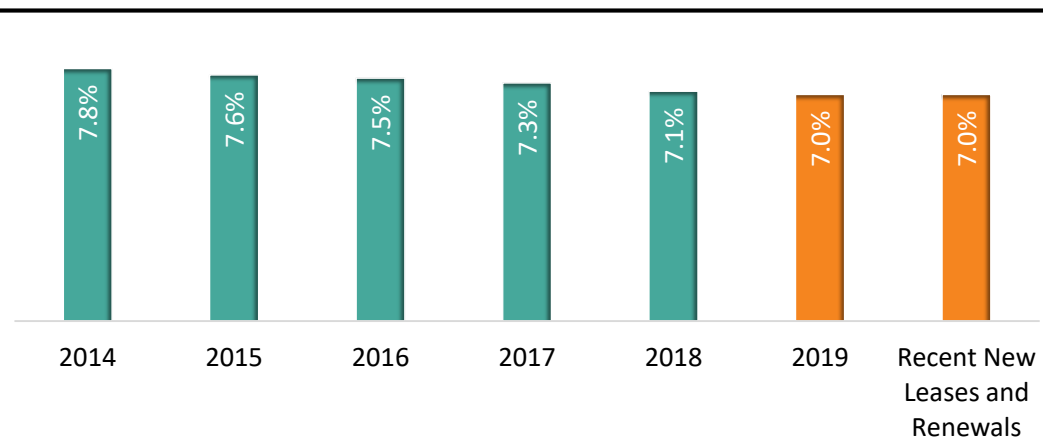
Retail tenant affordability

Consistently strong metrics

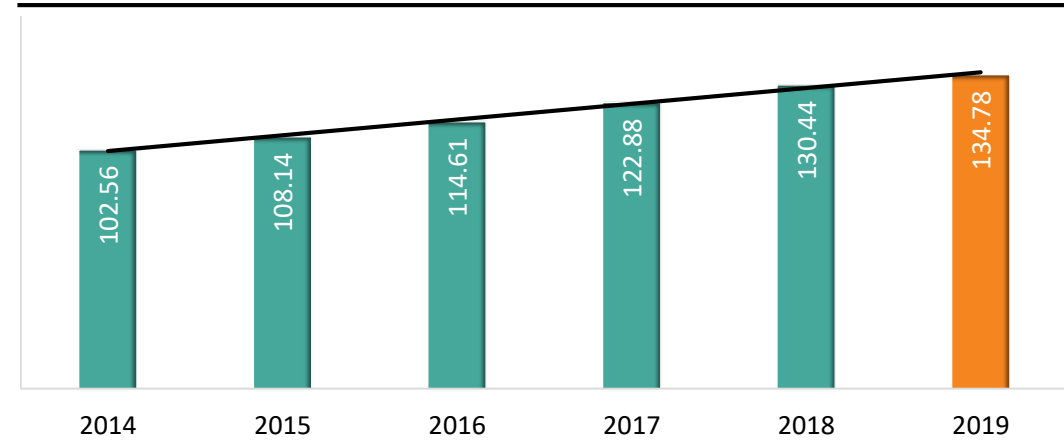
Retail Vacancy Profile by Rent



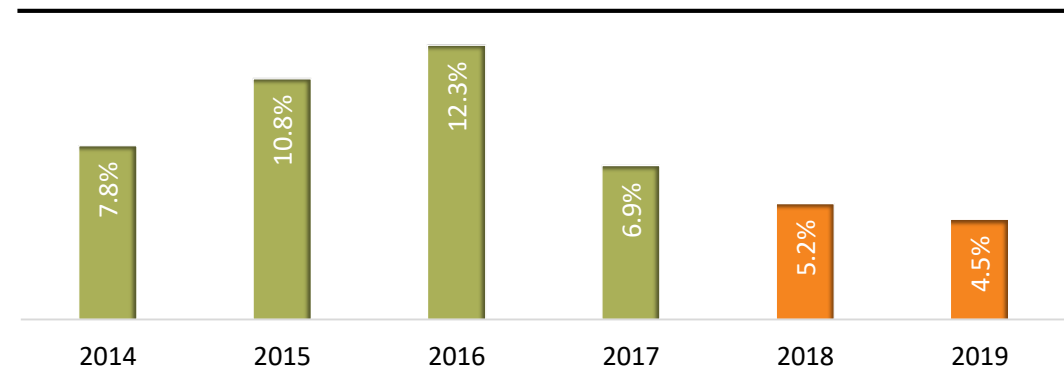
Retail Contractual Escalations



Retail Average Base Rentals (excl. Recoveries)



Retail Rent Reversions



Ratio of net cost to property revenue – Retail portfolio

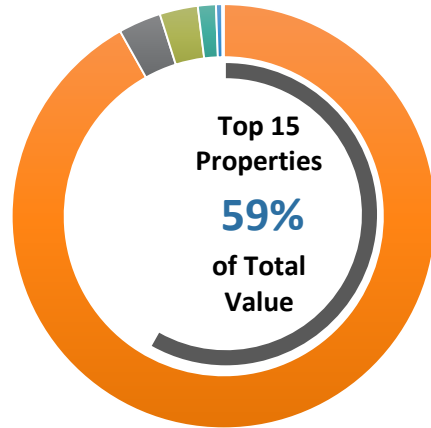
Cost Containment



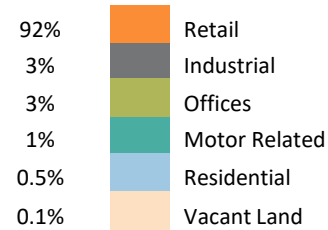
Southern African total portfolio composition

Top 15 assets make up 59% of the total portfolio

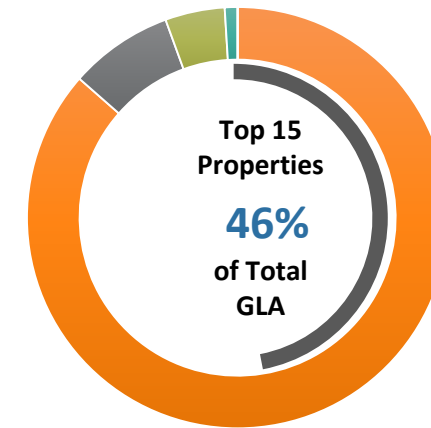
Sectoral Profile - by Value



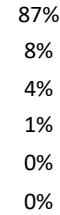
By Value



Sectoral Profile - by GLA



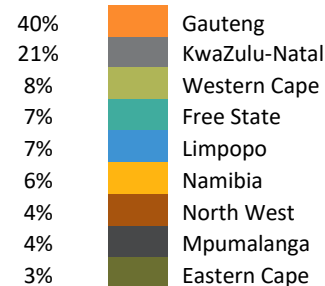
By GLA



Geographic Profile - by Value



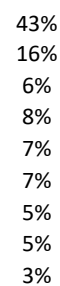
By Value



Geographic Profile - by GLA



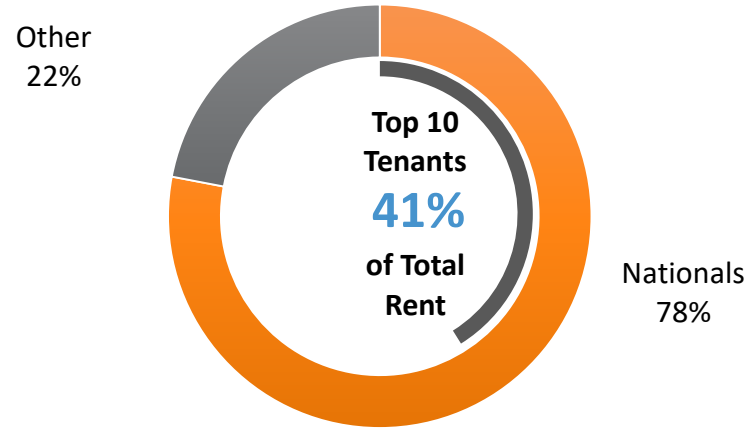
By GLA



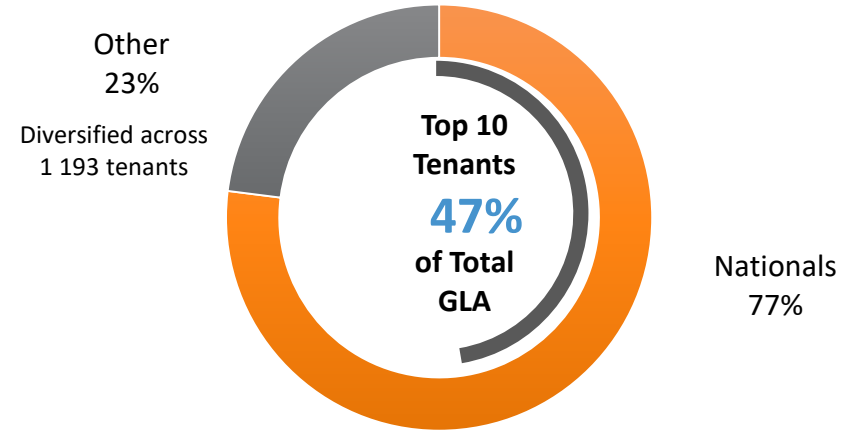
Southern African total portfolio tenant exposure

Low risk with 77% national tenants

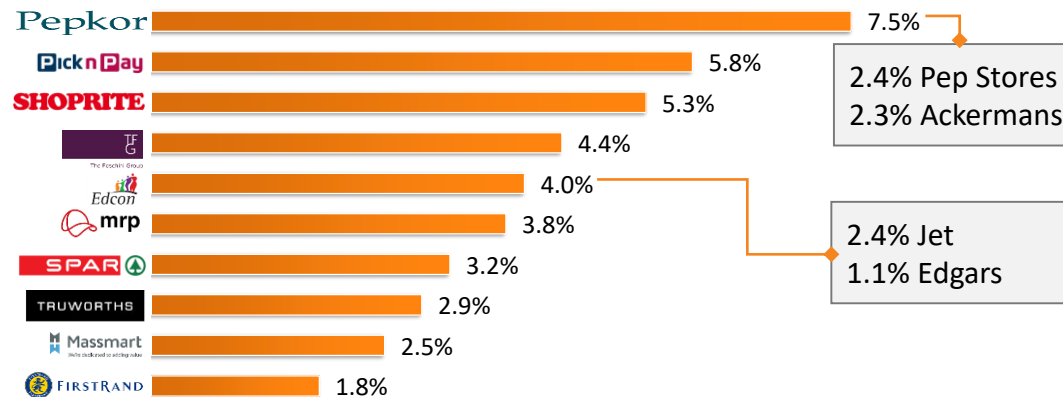
Top 10 Tenants - by Contractual Rent



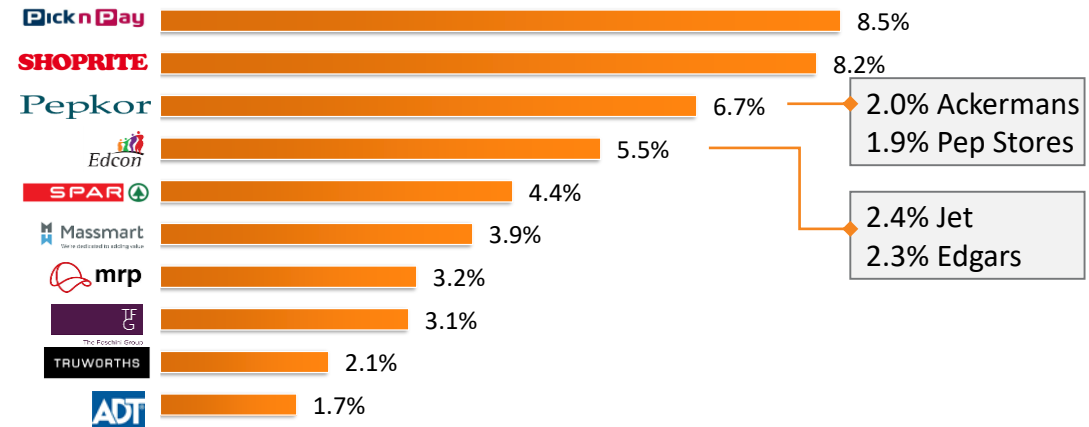
Top 10 Tenants - by occupied GLA



Tenant Profile - by Contractual Rent

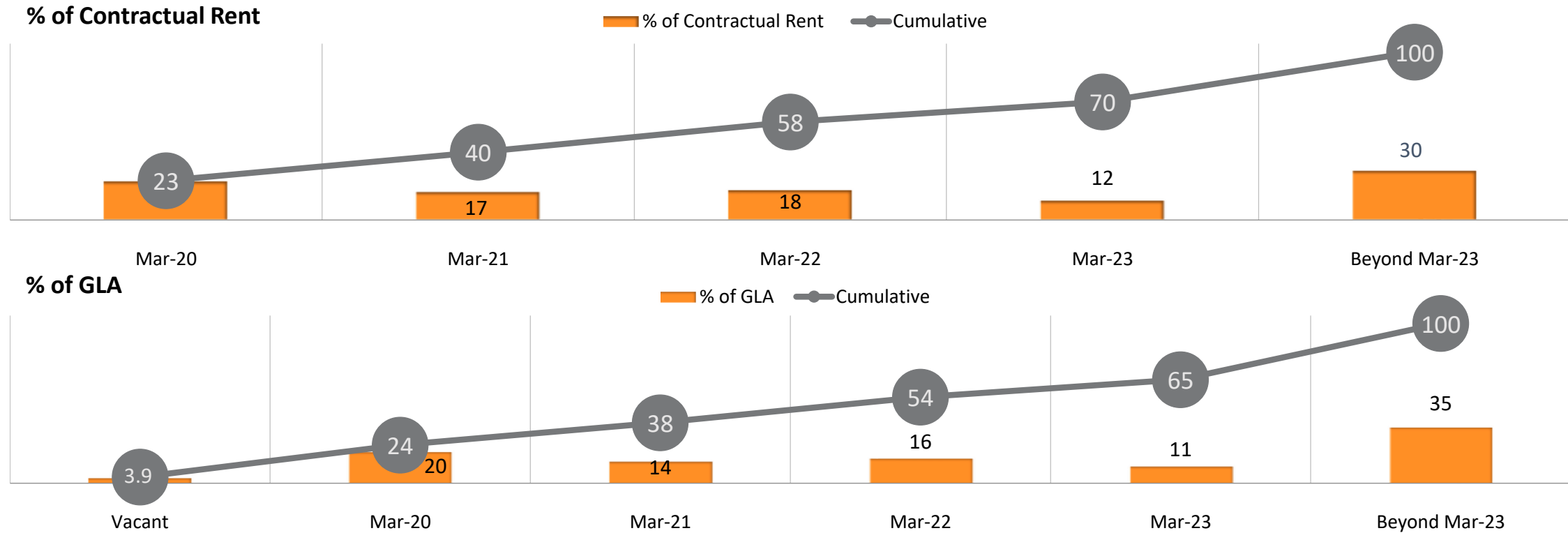


Tenant Profile - by occupied GLA



Southern African total portfolio tenant expiry profile

42% of contractual rent expiring in FY2023 and beyond (WALE 4.0 years)



For the 12 months ended 31 March 2019 leases were concluded with:

- ◇ Total contract value R1 766m
- ◇ Total rentable area 218 177m²
- ◇ Tenant Retention 81% (retail retention 87%)

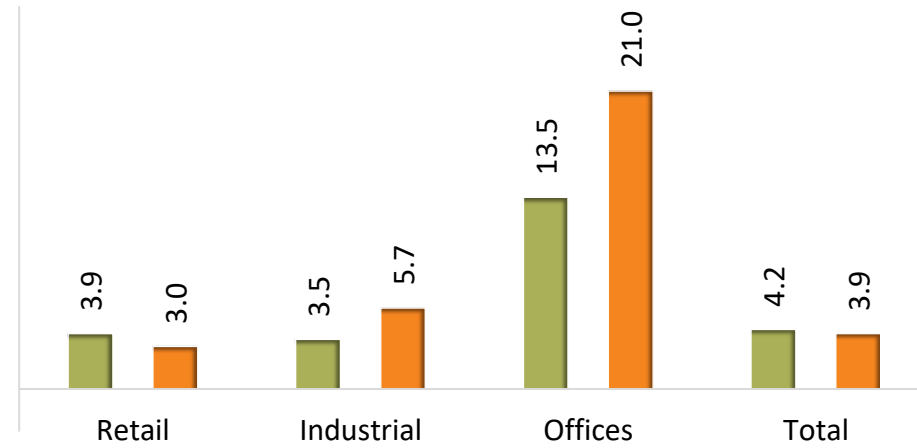
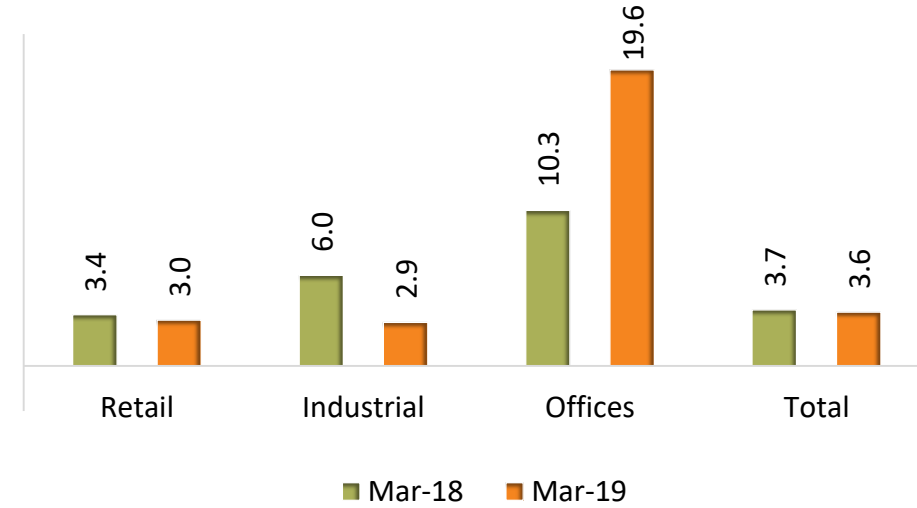
Southern African total portfolio vacancy profile

Vacancy contained at 3.6% of contractual rent



Vacancy
3.6% of Rent

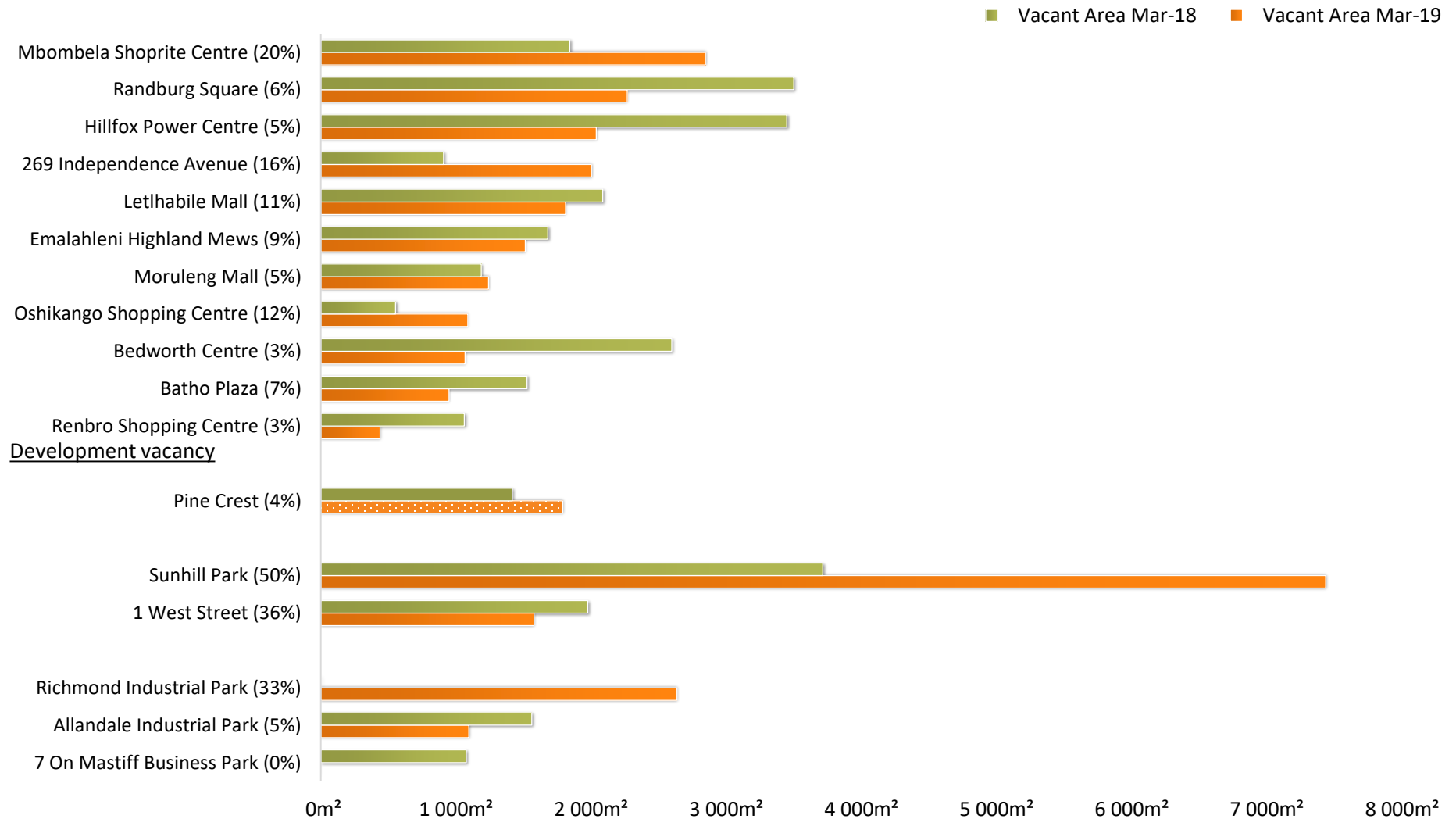
Vacancy
3.9% of
GLA



Excluding development vacancy

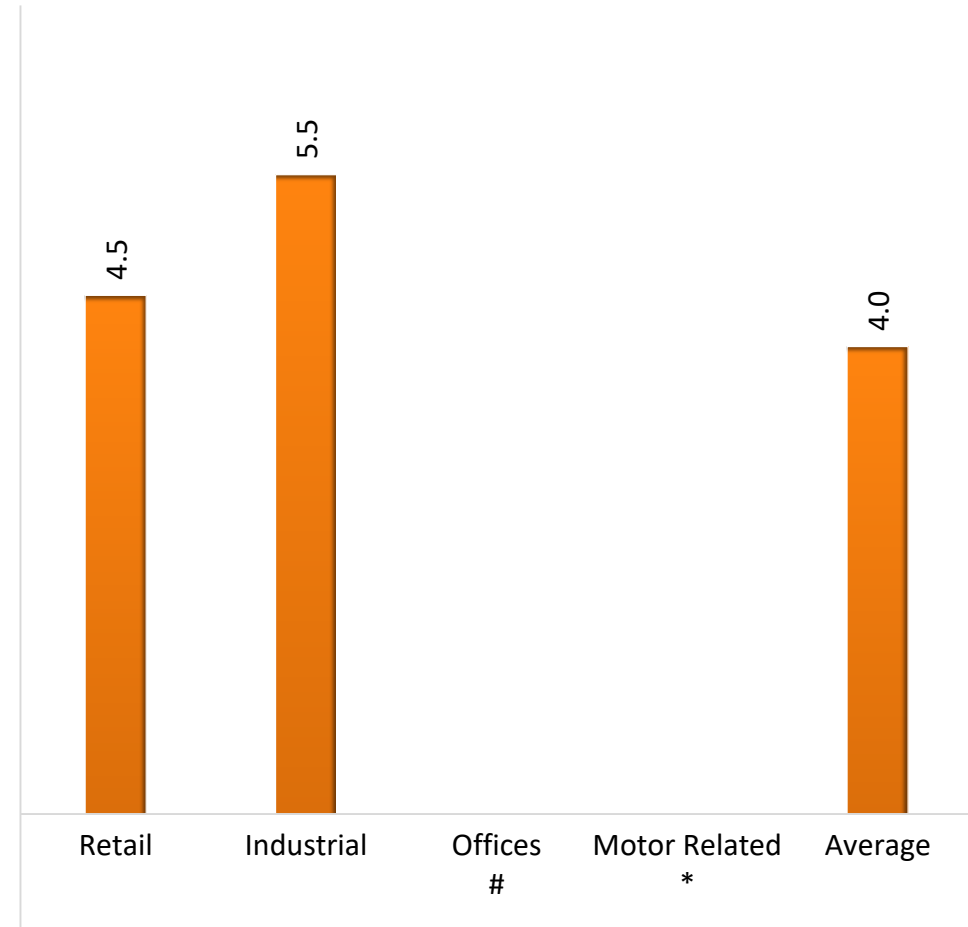
Individual properties vacancy profile (% of GLA)

Vacancy > 1 000m²



Southern African total portfolio lease renewals

Positive reversions



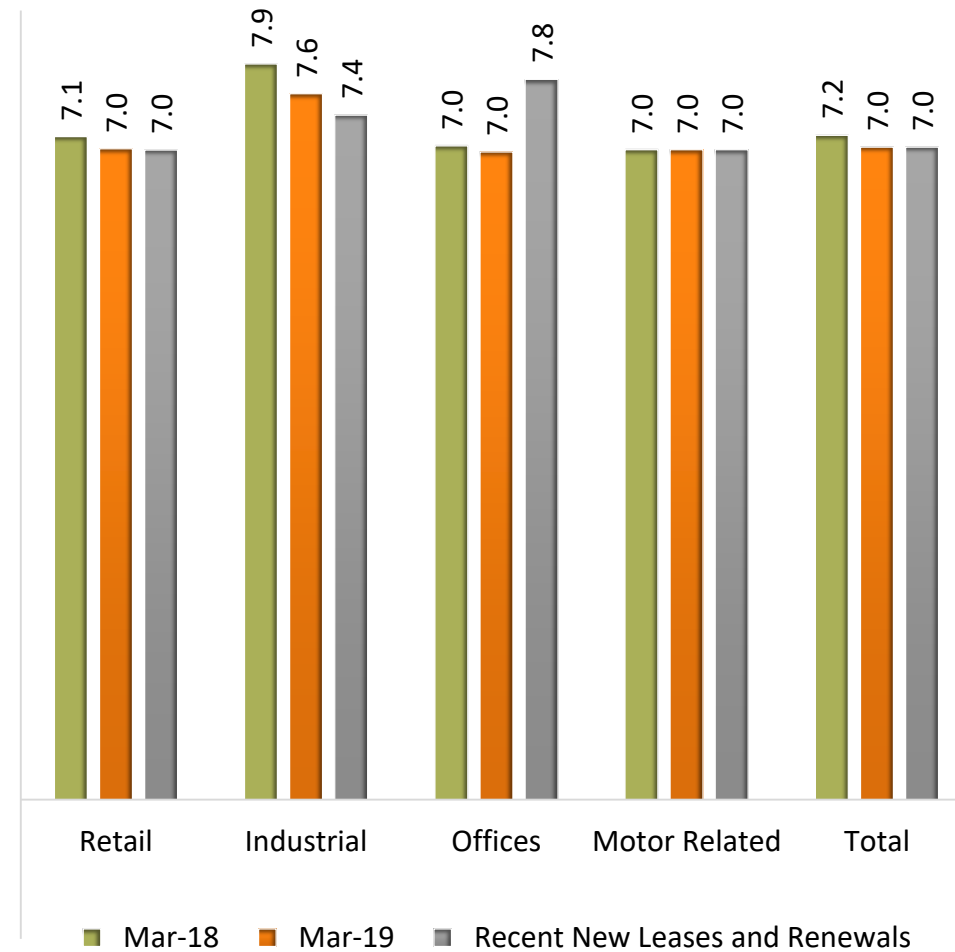
Limited office renewals concluded at lower rates * No motor related leases concluded during the period

Southern African total portfolio contracted rental escalation profile

Rental escalations still ahead of inflation

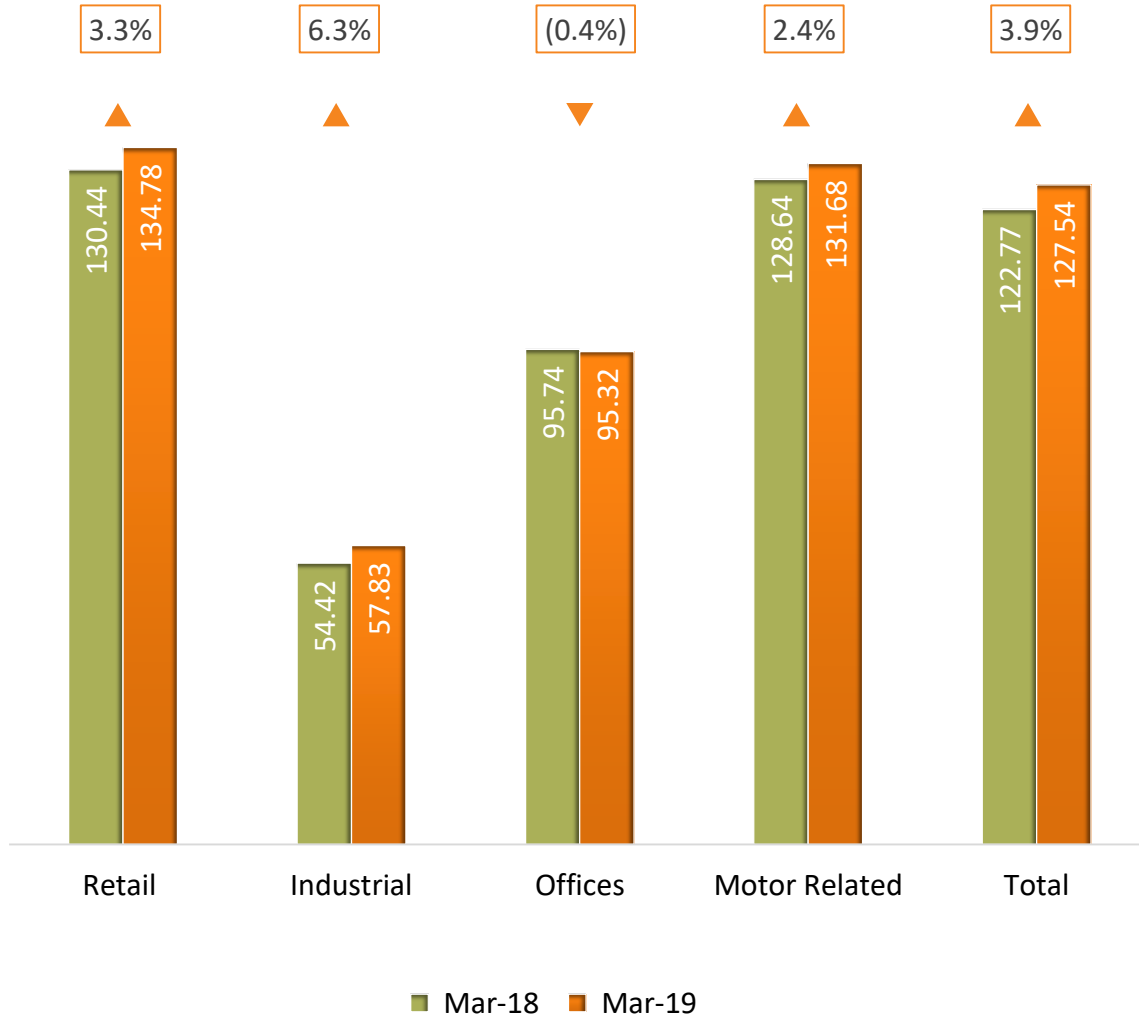


Escalation percentage



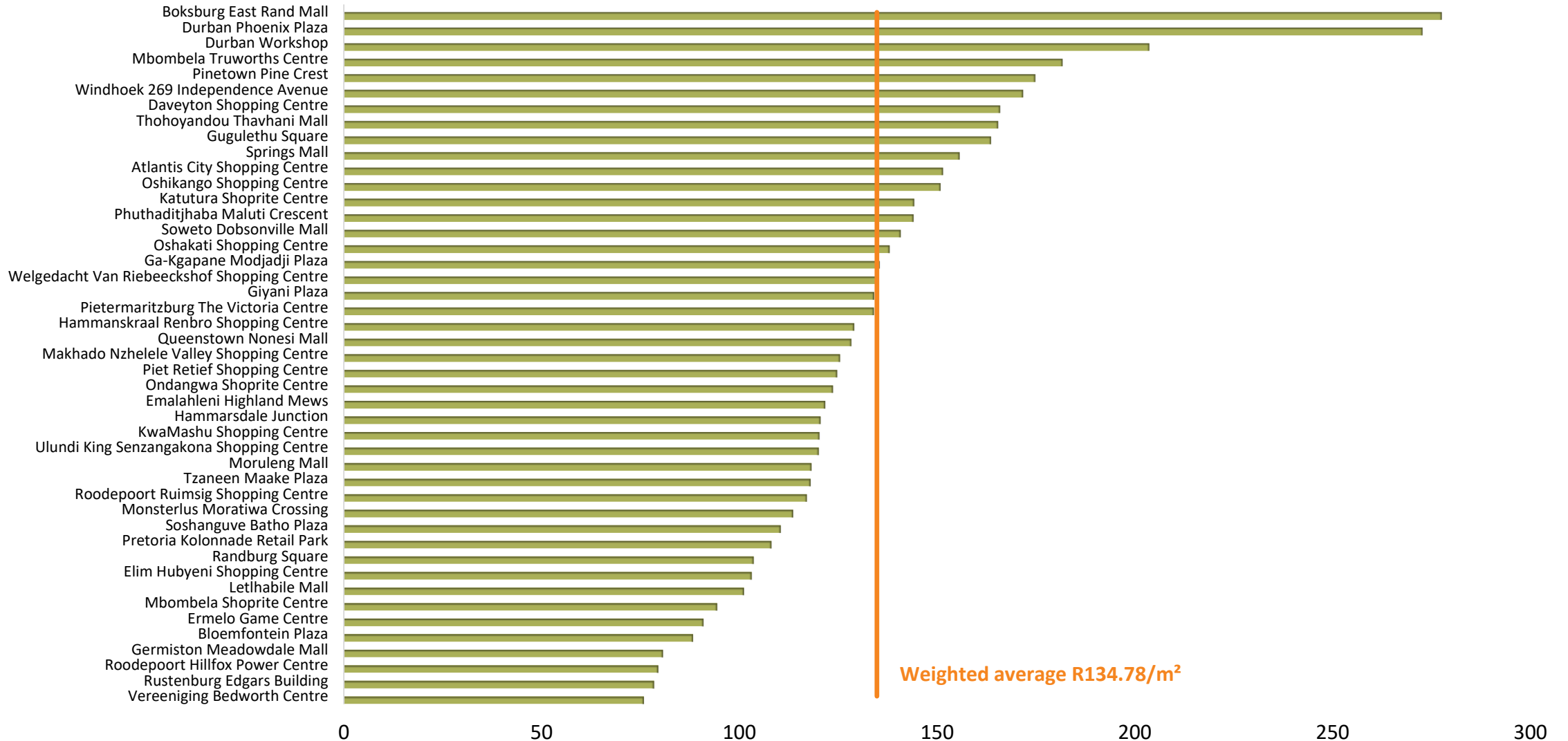
Southern African total portfolio weighted average base rentals – R/m²

Excluding recoveries



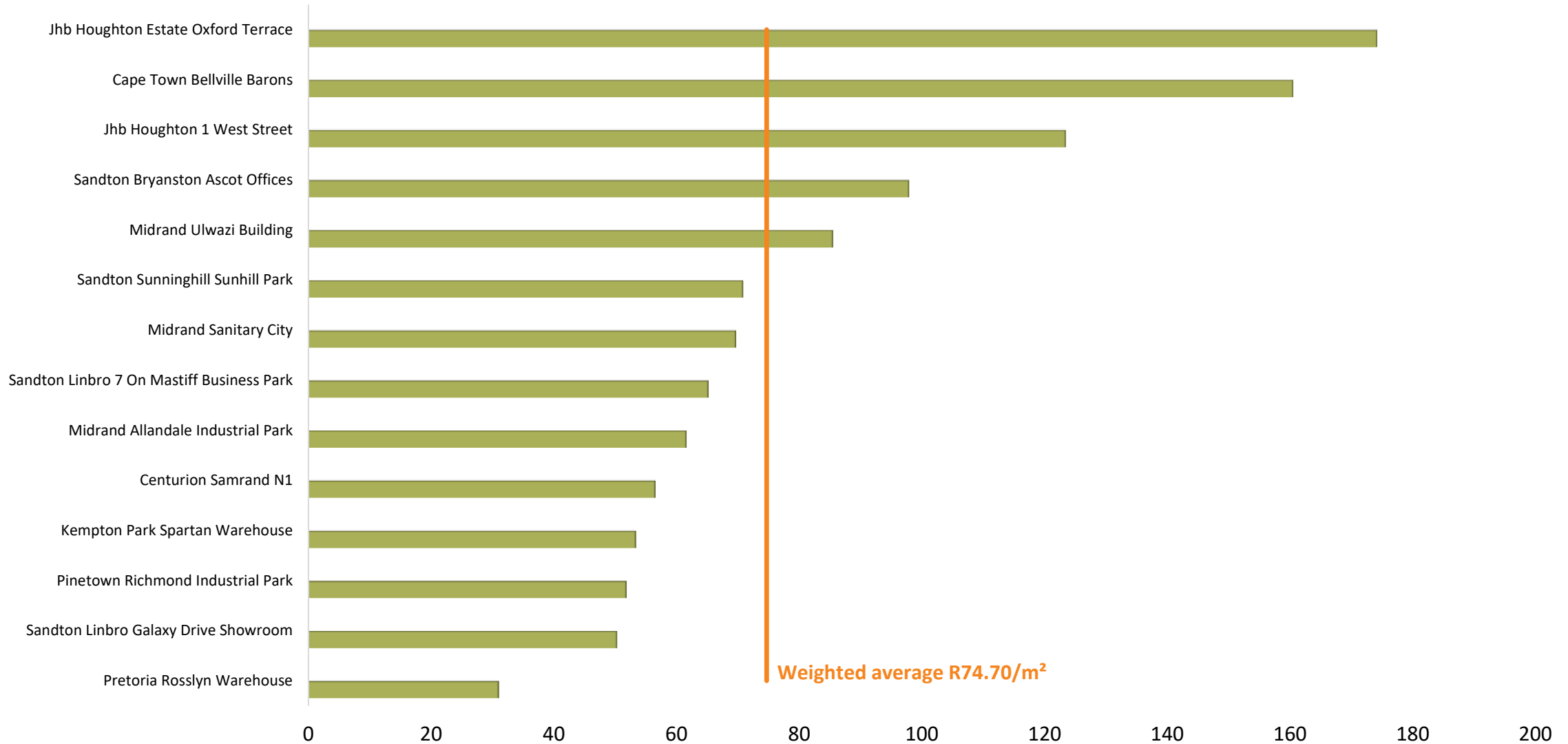
Weighted average base rentals R/m² (excluding recoveries)

Southern African Retail portfolio



Weighted average base rentals R/m² (excluding recoveries)

Southern African Other portfolio



Growth in net profit from Southern African property operations

Like-for-like growth of 3.4%

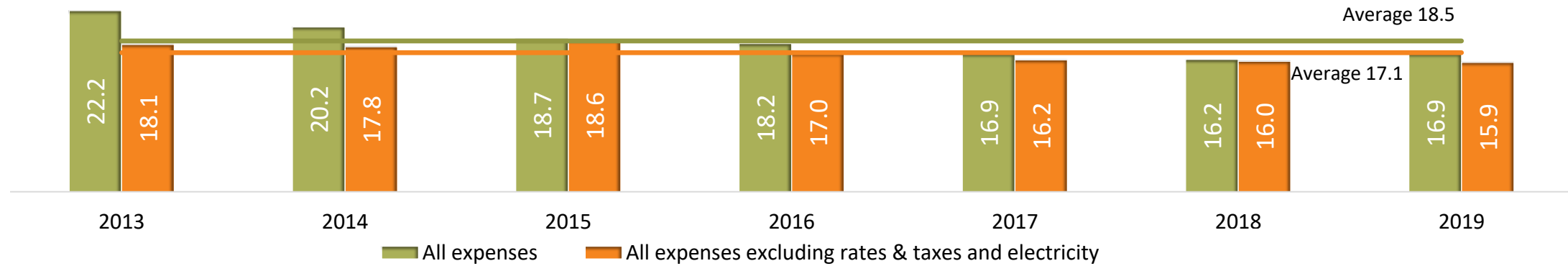


Note: Historic data per Company Annual Results.

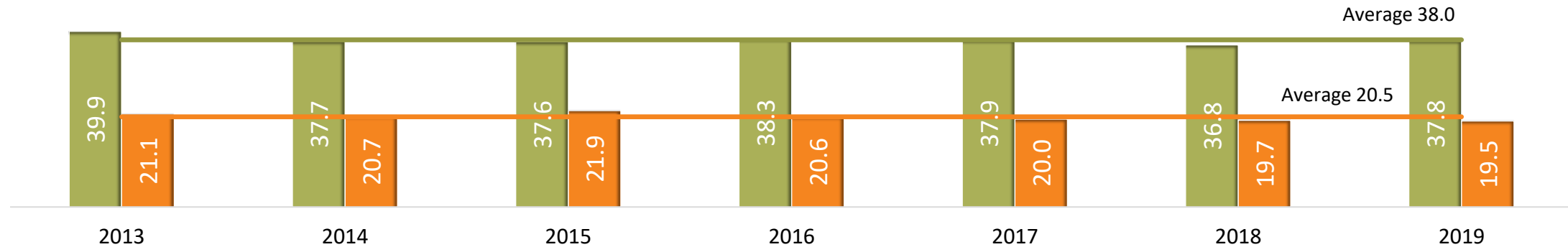
Southern African total portfolio - ratio of cost to property revenue

Net cost to property revenue

Containing cost ratios



Gross cost to property revenue



* Stable portfolio excluding recent acquisitions and sales



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Appendix B
Spanish Portfolio

Spanish market outlook and political environment

Spain GDP growth continues to outperform Eurozone

◆ Spain still the **European leader** in GDP growth

- Investments and consumption are expected to continue boosting **economic growth of 2.4%** in 2019
- ECB monetary policy: firm commitment to maintain inflation at 2%
- Spain economy has decoupled from Southern European peers

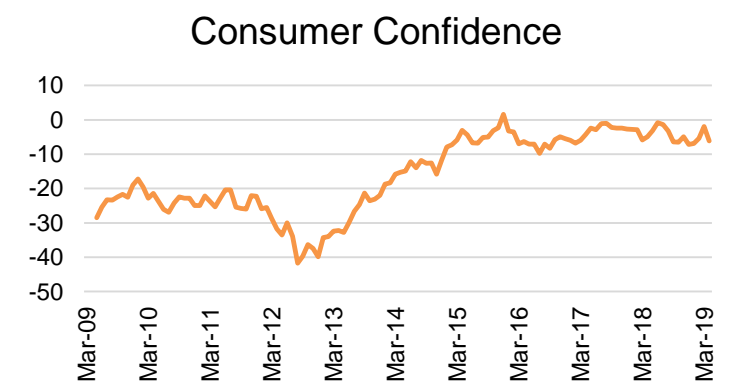
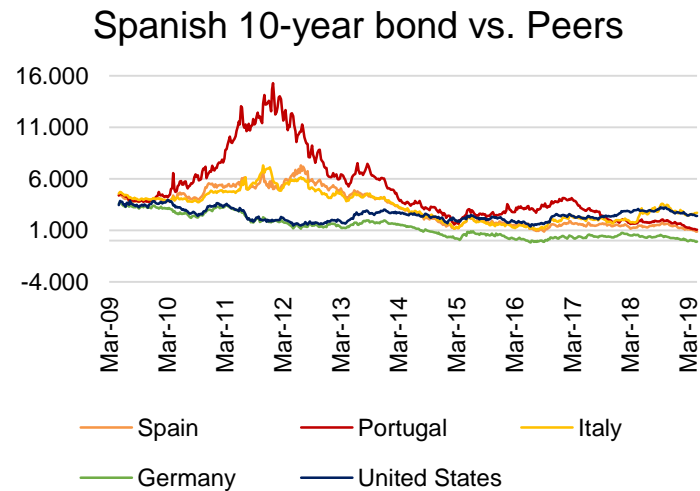
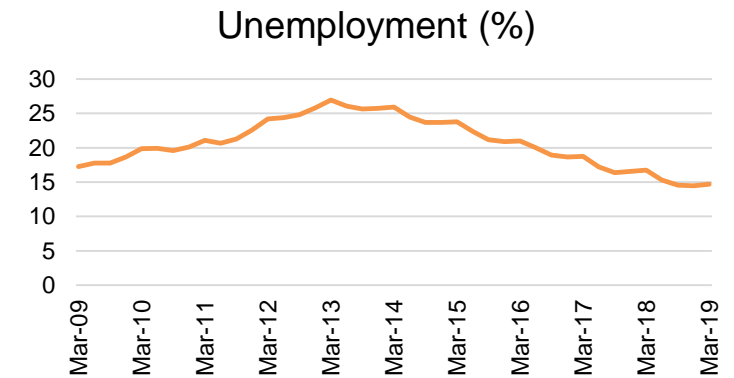
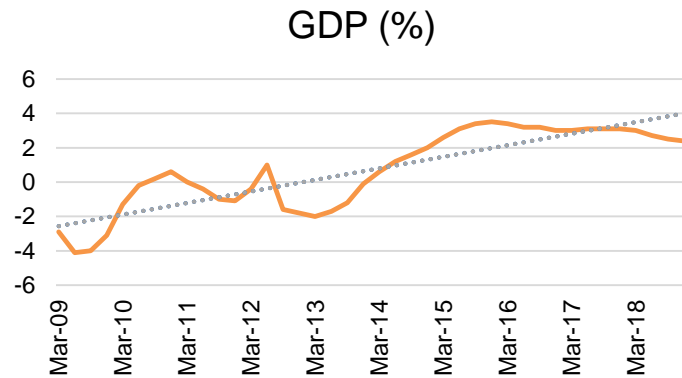
◆ Salaries and employment continue to show **strong recovery**

◆ **Politics stabilising** after general elections

- with expectations of a coalition government led by the Socialist party

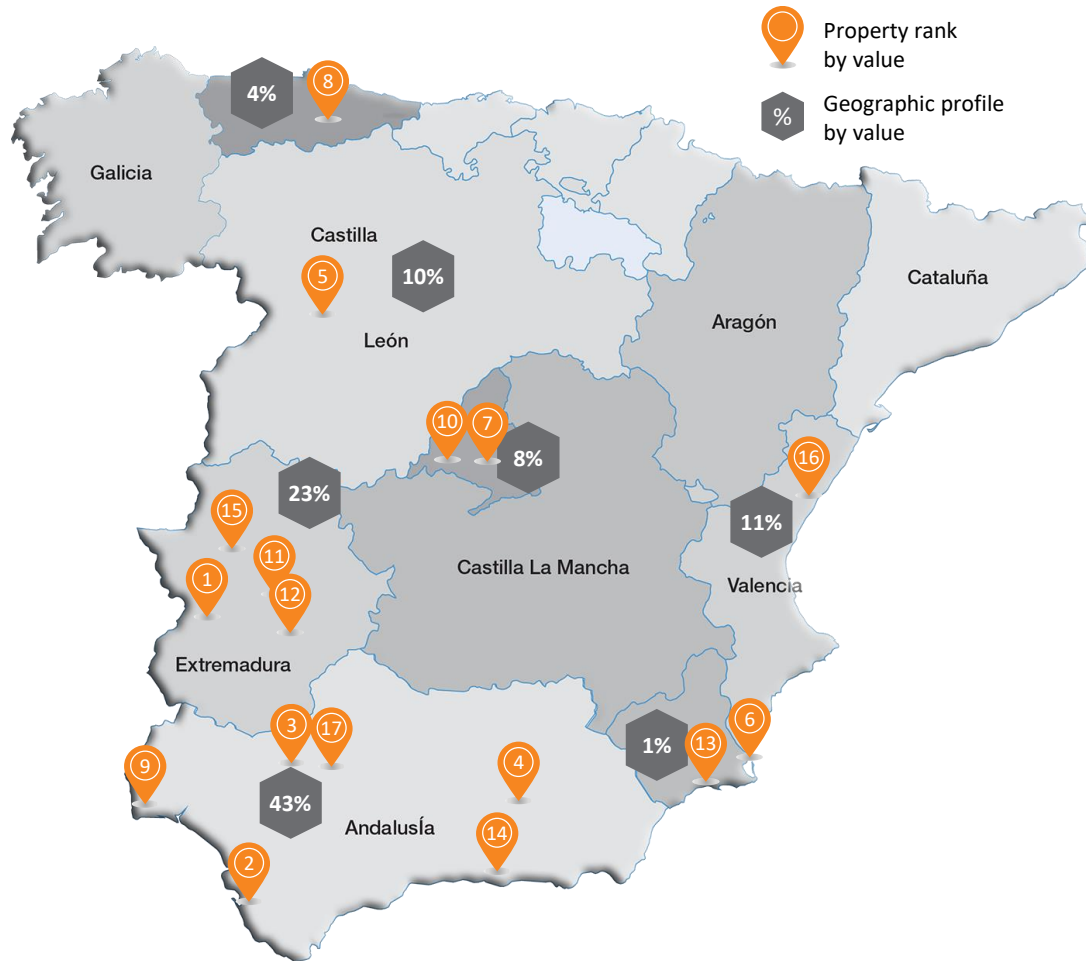
◆ Spain welcomed more than 82.6 million tourists in 2018 (+0.9%)

- **2nd most popular destination** behind France



Spanish portfolio footprint

Spain portfolio profile



- | | | | |
|---|-----------------------------|----|---------------------------|
| 1 | El Faro | 10 | Edificio Alcobendas |
| 2 | Bahía Sur | 11 | La Heredad |
| 3 | Los Arcos | 12 | La Serena ⁽ⁱⁱ⁾ |
| 4 | Granaita Retail Park | 13 | Pinatar Park |
| 5 | Vallsur | 14 | Motril Retail Park |
| 6 | Habaneras | 15 | Mejostilla |
| 7 | Parque Oeste ⁽ⁱ⁾ | 16 | Ciudad del Transporte |
| 8 | Parque Principado | 17 | Edificio Bollullos |
| 9 | Marismas del Polvorín | | |

(i) Parque Oeste comprises two adjacent properties that were acquired in two separate companies, but has been treated as a single combined property for reporting purposes

(ii) La Serena comprises two adjacent properties that were acquired in two separate companies, but has been treated as a single combined property for reporting purposes

Note: All data represents 100% of Castellana, Vukile shareholding is 72.2%

Spanish vacancy profile



Portfolio Vacancy
2.1% of GLA

■ Vacant Area Mar-19 ■ Vacant Area Sep-18 ■ Vacant Area Mar-18

Shopping Centres - New Acquisitions

- Habaneras (24 158m² - 7.1% vacant)
- Los Arcos (17 906m² - 6.8% vacant)
- El Faro (43 423m² - 2.4% vacant)
- Vallsur (35 211m² - 2.4% vacant)
- Bahía Sur (24 789m² - 1.9% vacant)

Retail Parks

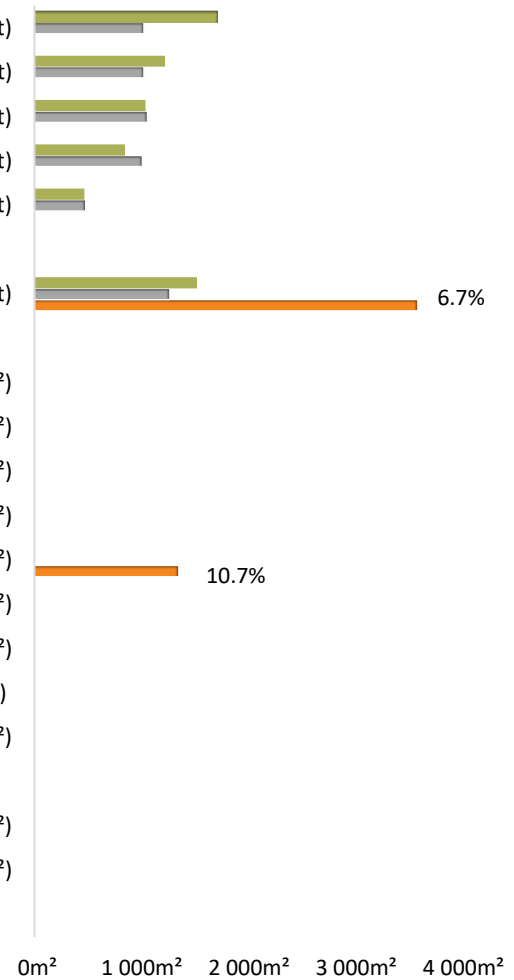
- Granaita Retail Park (54 367m² - 2.8% vacant)

Retail Parks – fully let

- Marismas del Polvorín (18 079m²)
- Parque Principado (16 246m²)
- Parque Oeste (13 604m²)
- La Heredad (13 447m²)
- La Serena (12 405m²)
- Pinatar Park (10 637m²)
- Mejostilla (7 281m²)
- Motril Retail Park (5 559m²)
- Ciudad del Transporte (3 250m²)

Offices – fully let

- Edificio Alcobendas (11 046m²)
- Edificio Bollullos (5 698m²)



Spanish portfolio overview

Top 10 assets

	El Faro	Bahía Sur	Los Arcos	Granaita Retail Park	Vallsur
					
GAV	€162.4m	€120.2m	€118.2m	€113.7m	€92.8m
 Province	Extremadura	Andalucia	Andalucia	Andalucia	Castilla Leon
 Gross Lettable Area	43 423m ²	24 789m ²	17 906m ²	54 367m ²	35 211m ²
 Monthly Rental	€17/m ²	€25/m ²	€33/m ²	€10/m ²	€15/m ²
 Sector	Shopping Centre	Shopping Centre	Shopping Centre	Retail Park	Shopping Centre
 Major Tenants	Bricor, Primark, Zara	El Corte Ingles, H&M, Zara	Toys 'R' Us, Zara, Kiabi	Decathlon , Aki / Leroy Merlin, Media Markt	Carrefour, Yelmo, H&M
 WALE	8.7 years	4.7 years	9.1 years	16.1 years	17.4 years
 Vacancy	2.4%	1.9%	6.8%	2.8%	2.4%

Note: All data represents 100% of Castellana, Vukile shareholding is 72.2%, WALE is to expiry of lease excluding break options

Spanish portfolio overview

Top 10 assets

	Habaneras	Parque Oeste ⁽ⁱ⁾	Parque Principado	Marismas del Polvorín	Edificio Alcobendas
GAV	€88.8m	€51.6m	€34.6m	€28.4m	€20.6m
 Province	Com. Valenciana	Madrid	Asturias	Andalucia	Madrid
 Gross Lettable Area	24 158m ²	13 604m ²	16 246m ²	18 079m ²	11 046m ²
 Monthly Rental	€18/m ²	€16/m ²	€10/m ²	€8/m ²	€11/m ²
 Sector	Shopping Centre	Retail Park	Retail Park	Retail Park	Offices
 Major Tenants	Aki / Leroy Merlin, Zara, Forum Sport	Media Markt, Kiwoko, Worten	Bricomart, Conforama, Intersport	Media Markt, Mercadona, Low Fit	Konecta
 WALE	7.7 years	20.5 years	12.4 years	22.3 years	12.2 years
 Vacancy	7.1%	Fully Let	Fully Let	Fully Let	Fully Let

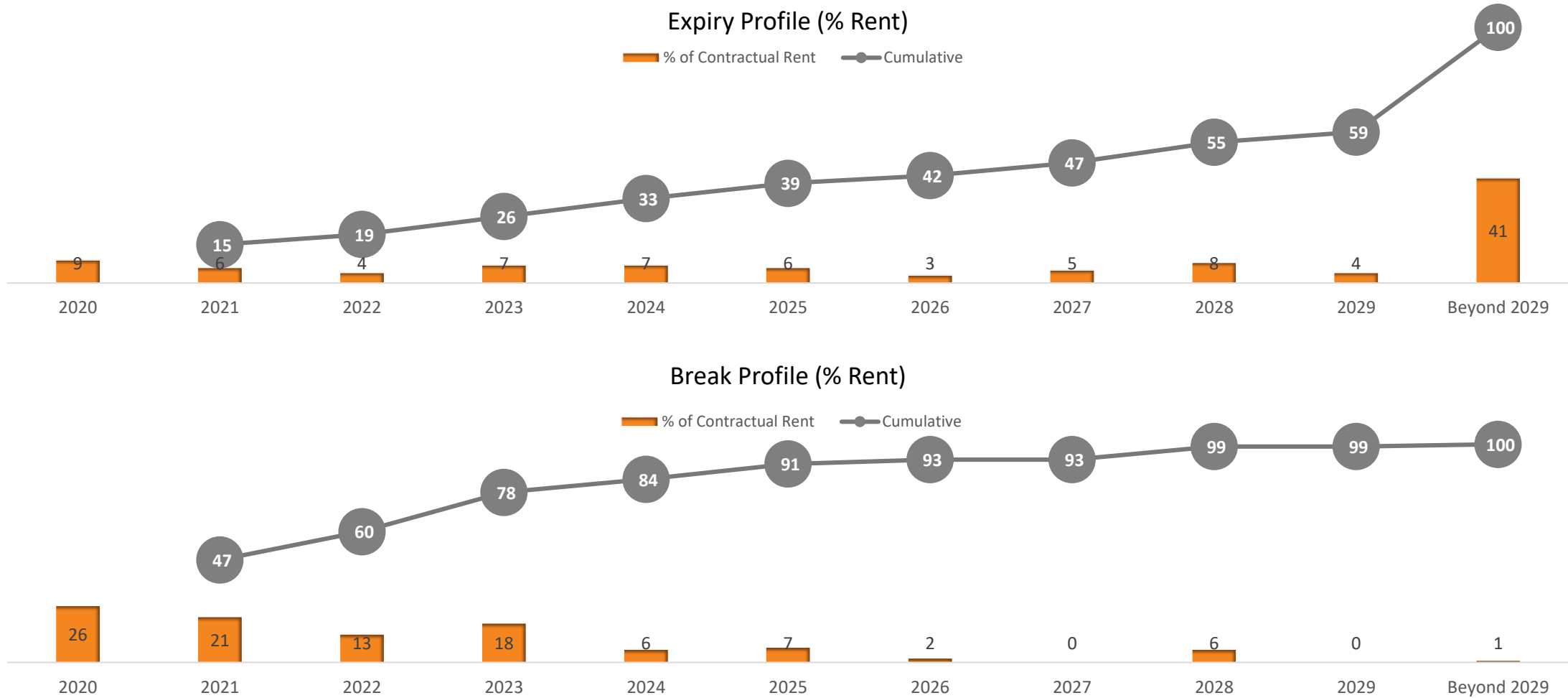
(i) Parque Oeste comprises two adjacent properties that were acquired in two separate companies, but has been treated as a single combined property for reporting purposes

Note: All data represents 100% of Castellana, Vukile shareholding is 72.2%

WALE is to expiry of lease excluding break options

Retail lease expiry profile

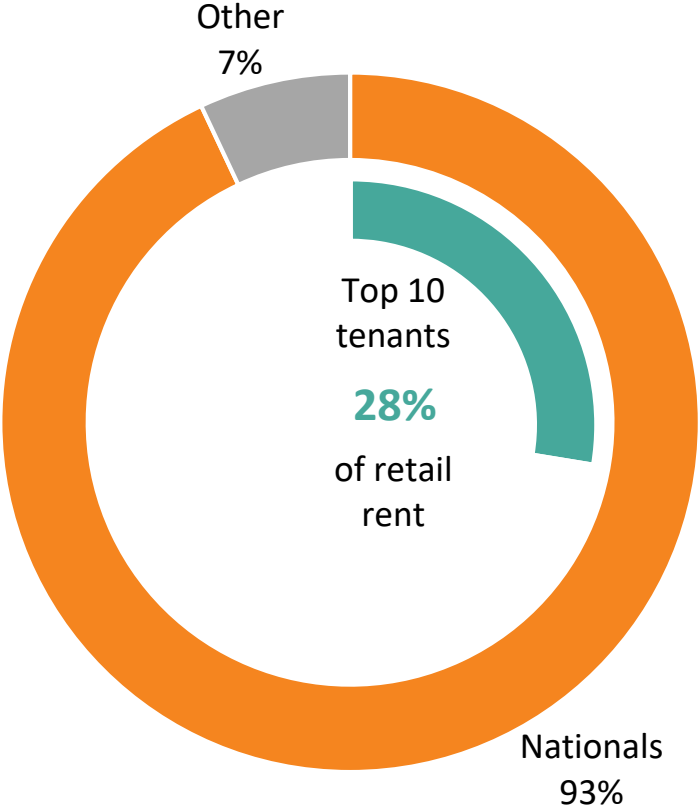
45% of contractual rent expiring in FY2029 and beyond (WALE 14.3 years to expiry and 3.7 years to break)



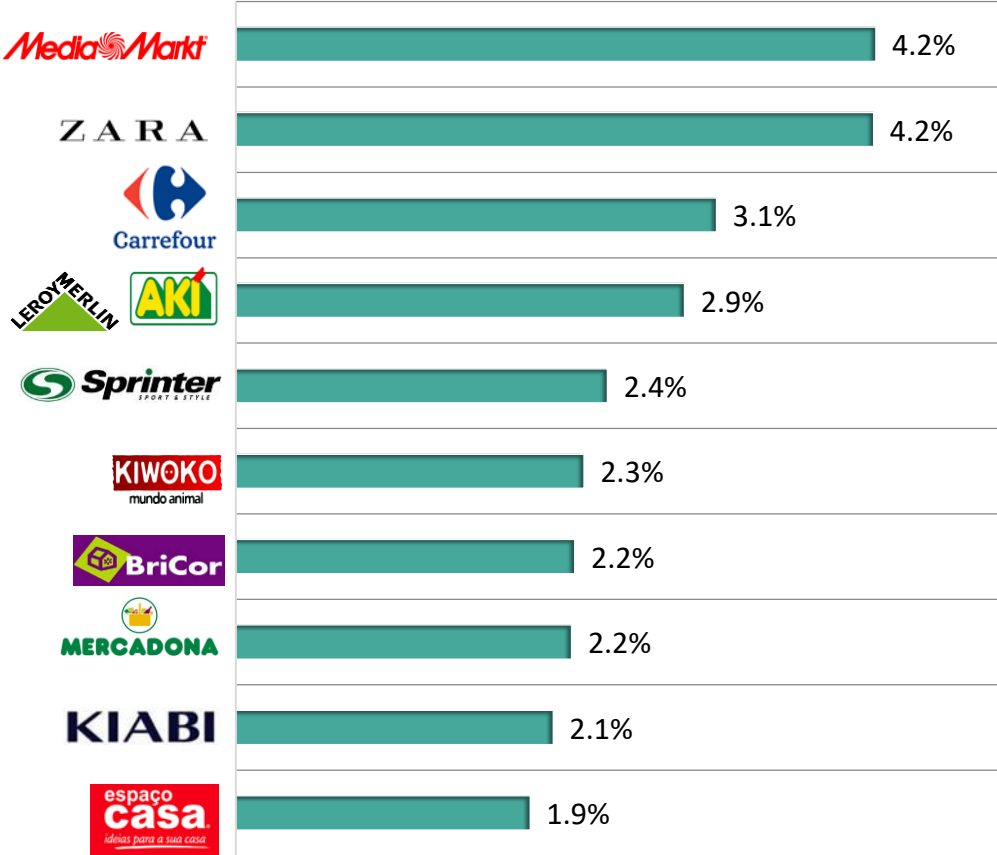
Retail tenant exposure

Low risk with 93% national and international tenants

Top 10 tenants by rent

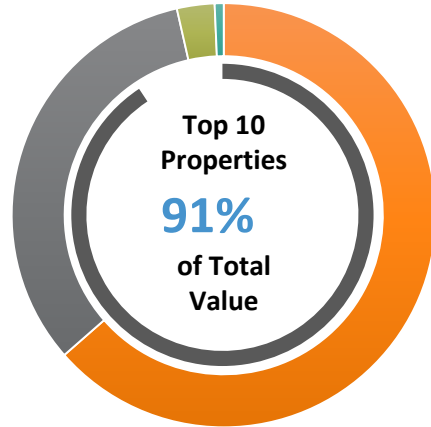


Tenant profile - by contractual rent



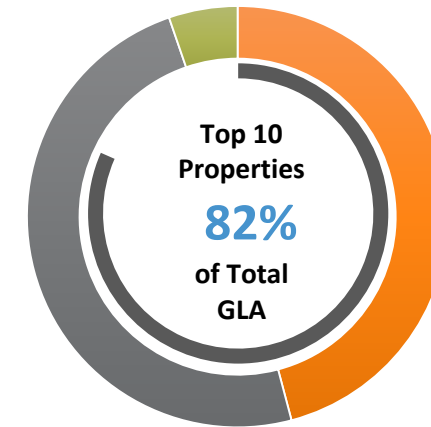
Spanish total portfolio composition

Sectoral Profile - by Value

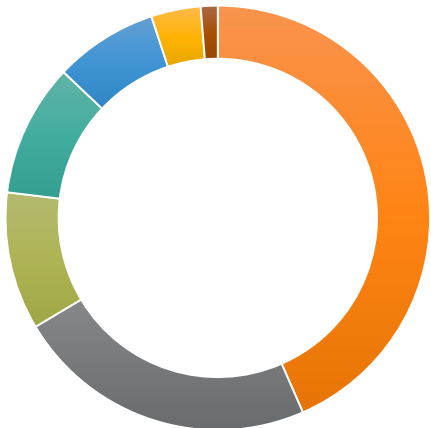


By Value		By GLA	
63%	Shopping Centre	46%	
33%	Retail Park	49%	
3%	Offices	5%	
1%	Development Potential	0%	

Sectoral Profile - by GLA



Geographic Profile - by Value



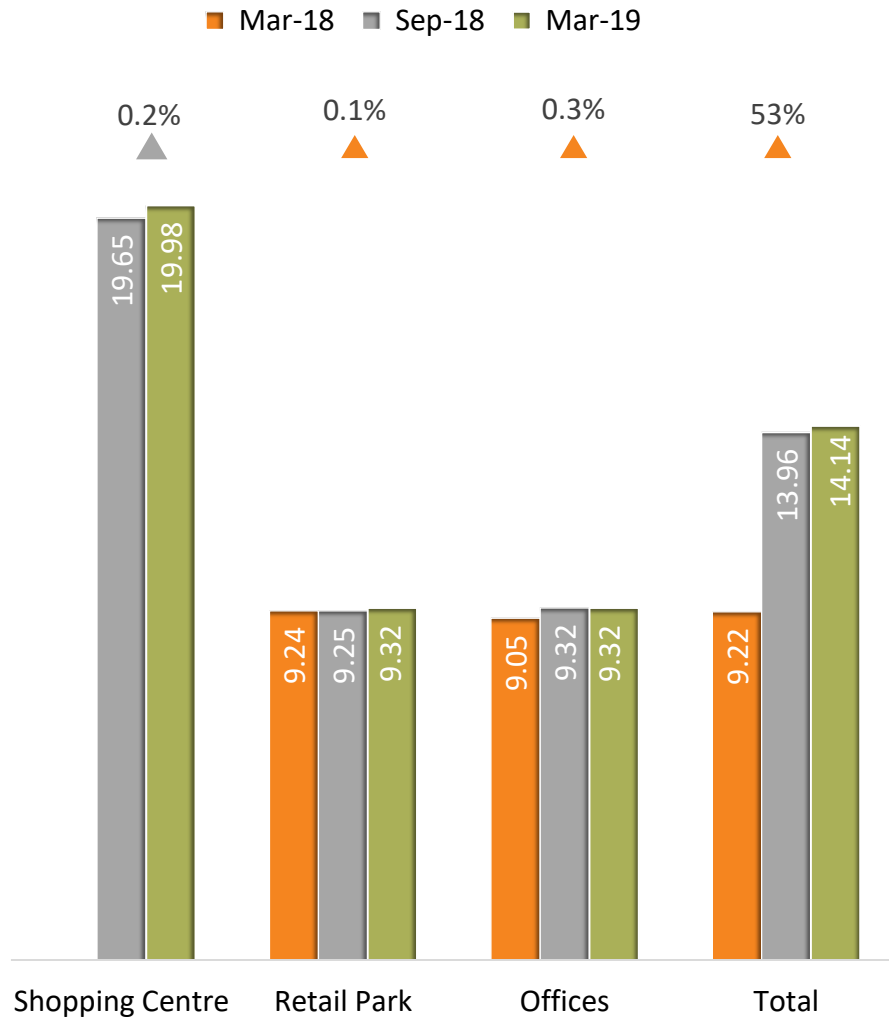
By Value		By GLA	
43%	Andalucia	40%	
23%	Extremadura	24%	
11%	Com. Valenciana	9%	
10%	Castilla Leon	11%	
8%	Madrid	8%	
4%	Asturias	5%	
1%	Murcia	3%	

Geographic Profile - by GLA

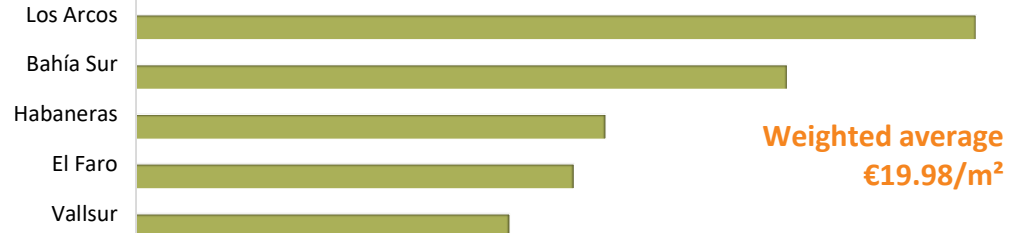


Spanish weighted average base rentals - €/m²

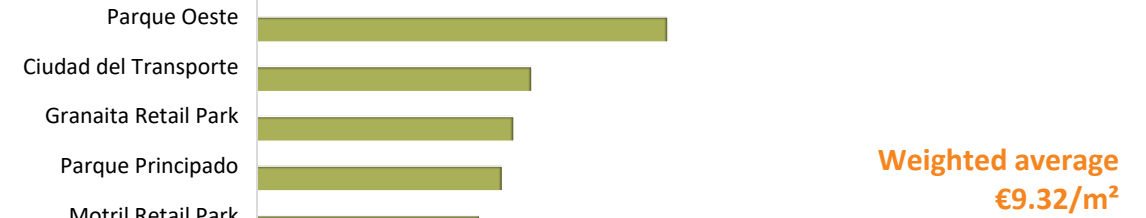
Improved average base rentals post acquisitions



Shopping Centres



Retail Parks



Offices





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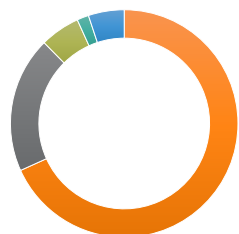
9

Appendix C
Financial Results Overview

Group net income analysis

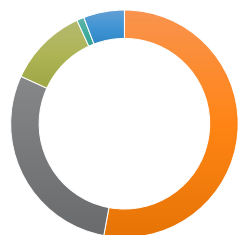
Distributable income of R1.7bn for FY2019

Income R3 204.9m



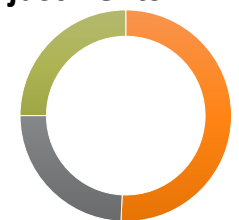
	R'000	%
Rental income	2 186 904	68.2
Municipal and rates recoveries	619 580	19.3
Investment and other income	181 741	5.7
Net cash flow from cross-currency interest rate swaps	163 074	5.1
Income from associate	53 585	1.7

Expenses R1 762.0m



	R'000	%
Property expenses	932 183	52.9
Finance costs	509 749	28.9
Corporate and administrative expenses	199 371	11.3
Non-controlling interest (Morzal, Castellana, Clidet)	102 304	5.8
Taxation	18 427	1.0

Non-IFRS adjustments R247.2m



	R'000	%
Shares issued cum dividend	125 399	50.7
Accrued dividends and cum dividend on shares acquired	60 036	24.3
Dividends accrued on listed associate net of share of income	61 788	25.0

Debt and foreign exchange policy

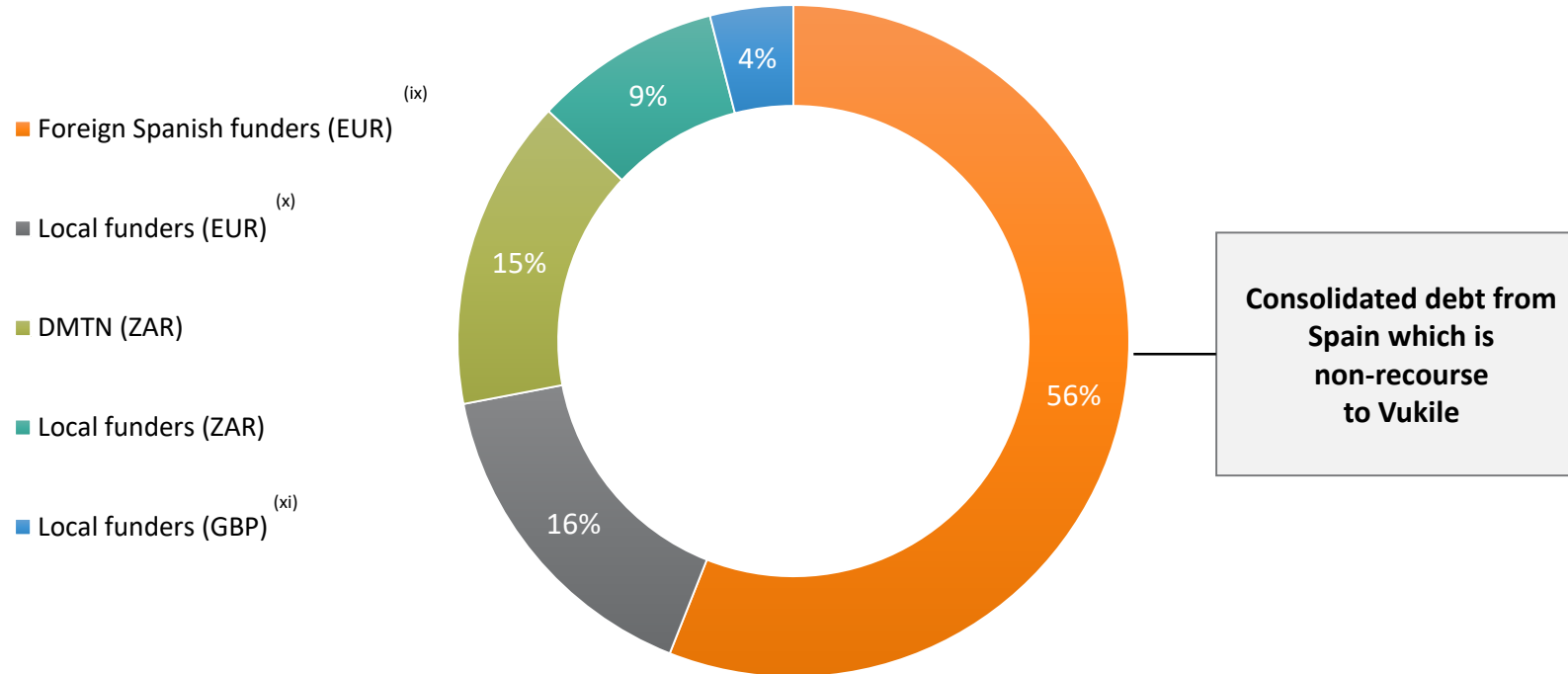
A prudent approach to managing risk

- ◆ Internal management policy of a **maximum loan to value** ratio of **40%** with **35% targeted level**
- ◆ Minimum of **75%** of interest bearing debt to be hedged with a minimum **3 year** fixed rate (swap) maturity profile
- ◆ A multi-banked approach across **diversified sources of funding** with no more than **25%** of total interest bearing debt to **mature within any one financial year**
- ◆ **Commercial Paper fully backed** by committed revolving credit facilities
- ◆ Acquisitions of **foreign assets** to be **funded with foreign loans** in the same currency to minimise adverse foreign exchange fluctuations on Vukile’s earnings, assets and liabilities
- ◆ On average **70% - 75%** of foreign dividends to be hedged by way of forward exchange contracts over a **3-year to 5-year** period
- ◆ Vukile is a member of the **Debt Issuers Association** (“DIA”) and has representation on their executive committee. Vukile abides by the **Debt capital markets – primary issuance guidelines** (November 2017)

Sources of funding

R13.2bn of Vukile Group debt from diversified sources of funding

Analysis of Group Debt by Currency

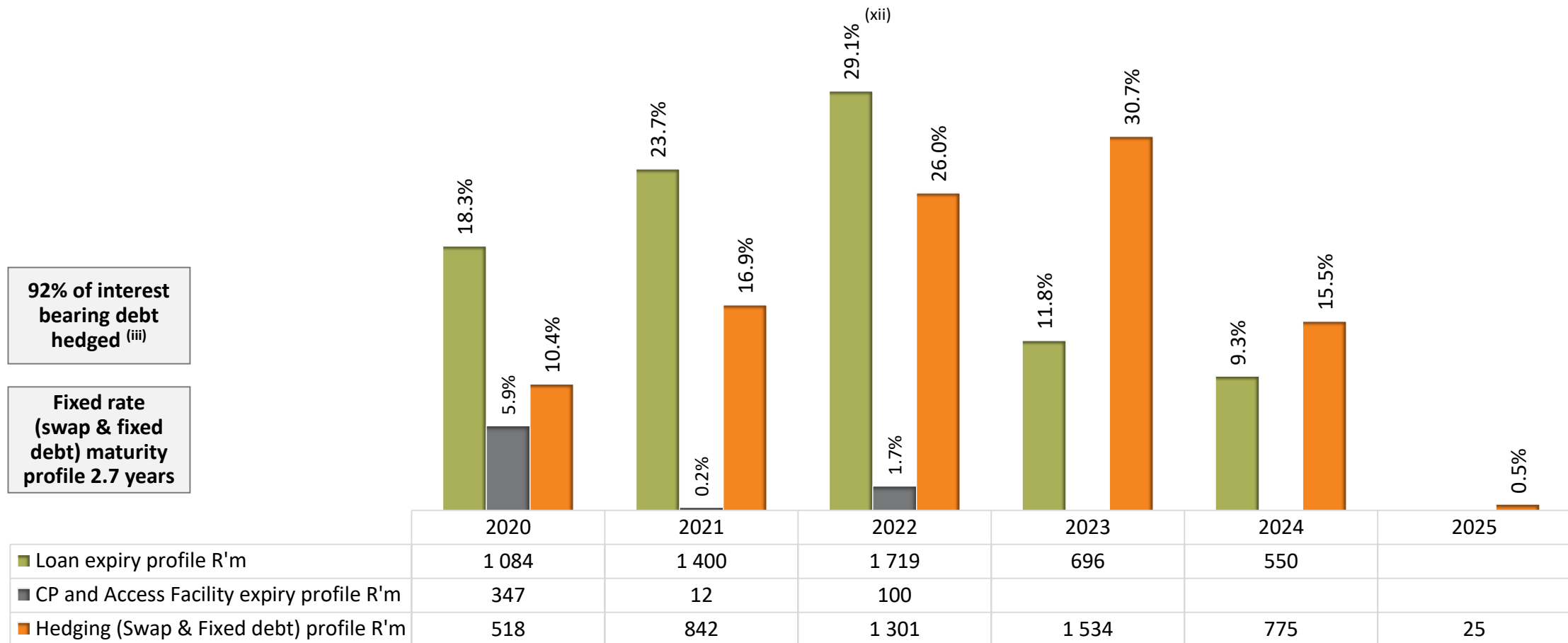


(iv), (v) and (vi) defined in Appendix C: Notes to Treasury Management Slides

Analysis of Southern African loan repayment and swap expiry profile

Well hedged with low risk expiry profile

Southern African loan and hedging (swap & fixed debt) expiry profile



⁽ⁱⁱⁱ⁾ and ^(xii) defined in Appendix C: Notes to Treasury Management Slides

Debt Expiring in FY2020

R1.1bn of Term debt and R347m of access facilities

	Maturity Date	Amount Drawn '000	Comments
Investec Access Facility	23 Jun 2019	R38 083	Approved by Investec Credit. Agreements being Drafted
Investec EUR Term Loan ZAR Equivalent at EURZAR spot rate of 16.2582 at 31 March 2019	23 Jun 2019	€21 681 R336 236	
RMB EUR Term Loan ZAR Equivalent at EURZAR spot rate of 16.2582 at 31 March 2019	30 Sep 2019	€10 475 R170 304	Indicative approval & pricing provided by RMB
ABSA Multicurrency Revolving Credit Facility	31 Oct 2019	R309 427	Indicative approval & pricing to be provided by ABSA
ABSA GBP Term Loan ZAR Equivalent at GBPZAR spot rate of 18.8855 at 31 March 2019	31 Oct 2019	£9 000 R169 970	
ABSA GBP Term Loan ZAR Equivalent at GBPZAR spot rate of 18.8855 at 31 March 2019	31 Oct 2019	£5 350 R101 037	
Standard Bank EUR Term Loan ZAR Equivalent at EURZAR spot rate of 16.2582 at 31 March 2019	20 Dec 2019	€6 500 R105 678	
Nedbank ZAR Term Loan	30 Jan 2020	R100 000	
ABSA ZAR Term Loan	31 Mar 2020	R100 000	
Total		R1 430 735	

◆ Very confident that bank debt expiring **will be extended**

◆ **No corporate bonds** are expiring in FY2020

Undrawn facilities

R1.4bn of available bank facilities

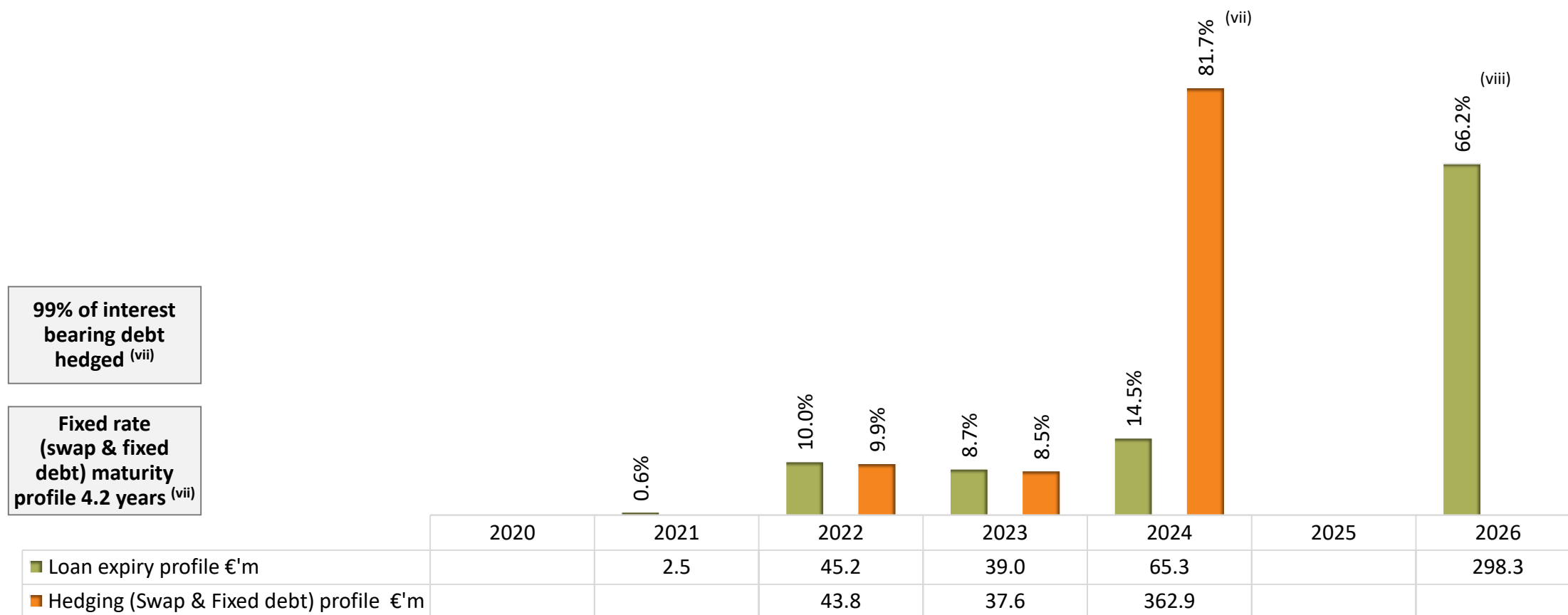
	Facility Amount '000	Amount Drawn '000	Facility Undrawn '000
ABSA Multicurrency Revolving Credit Facility	R850 000	R309 427	R540 573
Banco Santander Development Loans ^(xiii) ZAR Equivalent at EURZAR spot rate of 16.2582 at 31 March 2019	€3 000 R48 775	€2 257 R36 695	€ 743 R12 080
Caixabank Development Loans ^(xiii) ZAR Equivalent at EURZAR spot rate of 16.2582 at 31 March 2019	€23 696 R385 247	€15 000 R243 873	€1 238 R20 133
Investec Access Facility	R100 000	R38 083	R61 917
Investec Revolving Credit Facility	R100 000	R100 000	R0
Investec EUR Term Loan ZAR Equivalent at EURZAR spot rate of 16.2582 at 31 March 2019	€23 696 R385 247	€15 000 R243 873	€8 696 R141 374
RMB Access	R200 000	R11 431	R188 569
Standard Bank Access	R105 000	R0	R105 000
Standard Bank EUR Term Loan ^(xiv) ZAR Equivalent at EURZAR spot rate of 16.2582 at 31 March 2019	€22 000 R357 680	€0 R0	€22 000 R357 680
Total	R2 227 993	R800 667	R1 427 326

^(xiii) And ^(xiv) defined in Appendix C: Notes to Treasury Management Slides

Analysis of Spanish loan repayment and swap expiry profile

Low refinance risk over the next six years

Spanish loan and hedging (swap & fixed debt) expiry profile



^(vii) and ^(viii) defined in Appendix C: Notes to Treasury Management Slides

GBP foreign exchange hedging

Maintaining sustainable predictable income while reducing currency volatility

£'000	May-19	Nov-19	May-20	Nov-20
Net GBP dividends forecast ^(xv)	£2 546	£2 282	£2 282	£2 338
FEC hedge	(£2 035)	(£1 996)	(£2 045)	(£2 070)
Fixed GBPZAR rate	19.2135	19.9029	20.6072	21.3622
Unhedged GBP income	£ 511	£ 286	£ 237	£ 268
Percentage GBP income hedged ^(xvi)	80%	87%	90%	89%

- ◆ To minimise the adverse foreign exchange fluctuations Vukile’s target is to hedge on average 75% of foreign dividends over a 3-year to 5-year period
- ◆ **86.0%** of forecast **Net GBP income** from Atlantic Leaf is hedged over the next **2 years** (next 4 dividend payments)
- ◆ As the ZAR spot rate weakens to the GBP, a **1%** weakening from **18.8855** to **19.07**, is:
 - **+R7m** increase on Vukile’s **balance sheet** (assets less liabilities); and
 - **+R0.1m** increase on Vukile’s **FY2020 earnings**

(xv) and (xvi) defined in Appendix C: Notes to treasury management slides

EUR foreign exchange hedging

Maintaining sustainable predictable income while reducing currency volatility

€'000	Jun-19	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22	Dec-22	Jun-23
Net EUR dividends forecast ^(xvii)	€6 616	€7 881	€8 549	€8 439	€7 551	€9 416	€9 721	€11 270	€11 533
FEC hedge	(€7 684)	(€5 375)	(€5 289)	(€5 495)	(€5 508)	(€4 600)	(€4 600)	(€4 600)	(€4 600)
Fixed EURZAR rate	16.9725	17.7734	18.4981	18.5148	19.4321	20.6629	21.5255	22.4193	23.3412
Unhedged EUR income	(€1 068)	€2 506	€3 260	€2 944	€2 043	€4 816	€5 121	€6 670	€6 933
Percentage EUR income hedged ^(xviii)	116.13%	68.20%	61.87%	65.11%	72.95%	48.852%	47.32%	40.82%	39.89%

- ◆ To minimise the adverse foreign exchange fluctuations Vukile’s target is to hedge on average 75% of foreign dividends over a 3-year to 5-year period
- ◆ **75.2%** of forecast **Net EUR income** from Spain is hedged over the next **2½ years** (next 5 dividend payments)
- ◆ As the ZAR spot rate weakens to the EUR, a **1%** weakening from **16.2582** to **16.42**, is:
 - **+R25m** increase on Vukile’s **balance sheet** (assets less liabilities); and
 - **+R1.0m** increase on Vukile’s **FY2020 earnings**

(xvii) and (xviii) defined in Appendix C: Notes to treasury management slides

Cross Currency Interest Rate Swap Exposure

Prudent currency management

	EUR Nominal €'000	ZAR Nominal R'000	EURZAR Initial Rate	EUR Fixed Rate over Term	ZAR Average Rate over Term	Maturity
Nedbank CCIRS June 2018 (€93.2m)	€93 200	R1 346 240	14.4446	1.90%	8.81%	14 June 2021
Nedbank CCIRS June 2018 (€23.8m)	€23 800	R360 380	15.1420	1.29%	8.81%	14 June 2021
ABSA CCIRS July 2018 (€40.0m)	€40 000	R629 860	15.7465	3.70%	11.88%	13 June 2022
Investec CCIRS July 2018 (€25.5m)	€25 500	R401 370	15.7400	3.72%	11.88%	13 June 2022
Total	€182 500	R2 737 850				

- ◆ Cross Currency Interest Rate Swaps (“**CCIRS**”) have the ability to both hedge foreign exchange fluctuations on Vukile’s earnings and asset exposure. To minimize the impact of unexpected risks at the maturity of the CCIRS, Vukile has chosen to limit the utilisation of CCIRS to **45%** of the **total value of international investments**
- ◆ The **CCIRS** ratio to **total value of international investments** (on a consolidated basis) is **33.7%**
- ◆ The **MtM loss** of CCIRS was **-R225m** as at 31 March 2019. R100m worth of zero coupon deposits has been ceded as security for the CCIRS in order to cover MtM losses on expiry of the CCIRS
- ◆ As the ZAR spot rate weakens to the EUR, a **25%** weakening from **16.2582** to **20.32** will only increase Vukile’s **LTV** to **39.5%** from current level of **37.2%**

Overview of DMTN Secured Property Portfolio (Group 1 Notes)

Quality Secured Portfolio

- ◆ Property Value **R2 592m**
- ◆ **7** Properties
- ◆ GLA **153 341m²**
- ◆ Average property value **R432m**
- ◆ **73%** of retail space let to national tenants
- ◆ Contractual rental escalation **7.4%**
- ◆ **45%** of income from top 10 tenants
- ◆ WALE of **4.3 years**
- ◆ Retail Tenant Retention **82%**
- ◆ **2.6%** Vacancy (by Rent)
- ◆ Total DMTN Secured Debt **R772m**
- ◆ DMTN Secured Portfolio LTV **29.8%**

Overview of Unencumbered Assets

Quality Unencumbered Assets

- ◆ Total Unencumbered Assets **R7 180m**
- ◆ Property Value **R3 360m**
- ◆ **24** Properties
- ◆ GLA **287 187m²**
- ◆ Average property value **R140m**
- ◆ **87%** of retail space let to national tenants
- ◆ Contractual rental escalation **7.1%**
- ◆ **44%** of income from top 10 tenants
- ◆ WALE of **3.0 years**
- ◆ Retail Tenant Retention **88%**
- ◆ **6.6%** Vacancy (by Rent)
- ◆ Total DMTN Secured Debt **R1 341m** ^(xix)
- ◆ Unsecured Debt to Unencumbered Assets ratio **18.7%**

(xix) defined in Appendix C: Notes to treasury management slides

Corporate Bond and Commercial Paper Issuances

Balance of secured and unsecured debt

Corporate Bonds	Security	Amount	Reference Rate	Margin	Maturity Date	Initial Term
VKE07	Secured	R200m	3M JIBAR	1.65%	08/06/2020	5.1 years
VKE09	Secured	R378m	3M JIBAR	1.64%	08/07/2020	3.2 years
VKE10	Secured	R194m	3M JIBAR	1.80%	08/07/2022	5.2 years
VKE11	Unsecured	R175m	3M JIBAR	1.75%	20/04/2023	5.0 years
VKE12	Unsecured	R150m	3M JIBAR	1.60%	03/05/2021	3.0 years
VKE13	Unsecured	R535m	3M JIBAR	1.55%	27/08/2021	3.0 years
VKE14	Unsecured	R375m	3M JIBAR	1.65%	27/08/2023	5.0 years

Unsecured Debt Summary ^(xix)	Security	Amount
Corporate Bonds	Unsecured	R1 235m
Commercial Paper	Unsecured	R0m
Bank Debt	Unsecured	R106m
Total Unsecured		R1 341m

◆ **Secured** long-term credit rating of **AA_(ZA)**, **corporate** long-term credit rating of to **A_(ZA)** and corporate short-term credit rating of **A1_(ZA)** with a outlook accorded as **stable**

(xix) defined in Appendix C: Notes to treasury management slides

Notes to Treasury Management Slides

Aligned with industry best standards

- (i) Loan-to-Value ratio calculated as a ratio of actual interest-bearing debt owing less cash and cash equivalents (excluding tenant deposits & restricted cash) divided by the sum of (i) the amount of the most recent Director's Valuation of all the Properties in the Vukile Group Property Portfolio, on a consolidated basis and (ii) the market value of equity investments*
- (ii) Gearing ratio calculated as a ratio of interest bearing debt on a consolidated IFRS basis divided by total assets*
- (iii) Excluding access facilities and Commercial paper*
- (iv) Historic rates are based on actual interest costs including hedging and amortised transaction costs divided by the average debt over the respective period*
- (v) Forecast rates are based on extending debt and swaps expiring during the forecast period, as well as new debt expected to be utilised/repaid during the forecast period. Although, debt costs are forecast to increase in ZAR and GBP in FY2020 compared with FY2019, the overall cost is expected to reduce from 4.53% to 4.31% in FY2020 as a larger percentage of debt will be in foreign currency over the full period in FY220 compared to only being held for a portion of FY2019*
- (vi) Interest Cover Ratio is based on the operating profit excluding straight-line lease income plus dividends from equity-accounted investments and listed securities income ("EBITDA") divided by the finance costs after deducting all finance income ("net interest cost")*
- (vii) €42.3m of debt with Aareal related to Habaneras is fixed (and has been included in the interest bearing debt hedged ratio and fixed rate maturity profile). €256m of debt with Aareal related to Morzal is fixed (and has been included in the interest bearing debt hedged ratio and fixed rate maturity profile)*
- (viii) More than 25% of debt will mature in FY2026, this debt relates to €42.3m of debt with Aareal related to Habaneras and €256m of debt with Aareal related to Morzal. The intention is that as the debt reaches maturity, Castellana's overall debt will increase and as a percentage this debt will be less than 25% of total debt at that point in time*
- (ix) Castellana EUR Debt comprises €450.3m converted at the EURZAR spot rate of 16.2582 at 31 March 2019, which is non-recourse to Vukile*
- (x) Vukile EUR debt comprises to €131.7m converted at the EURZAR spot rate of 16.2582 at 31 March 2019*
- (xi) Vukile GBP debt comprises £28.7m converted at the GBPZAR spot rate of 18.8855 at 31 March 2019*
- (xii) More than 25% of Vukile South African debt will mature in FY2022, this debt primarily relates to VKE12 (R150m), VKE13 (R535m) and EUR debt with ABSA (€12.5m), Investec (€23.7m) and Standard Bank (€25m). The intention is re-new the EUR debt with the banks at least 12 months prior to their maturity*
- (xiii) Castellana development loans form part of Syndicated Loan to be utilised for Castellana Capex Projects*
- (xiv) Standard Bank EUR term loan facility to become available in July 2019*

Notes to Treasury Management Slides (continued)

Aligned with industry best standards

- (xv) Net forecast dividend after deducting interest costs on Vukile GBP debt. Forecast dividends are an estimate and will differ from actual dividends because of normal differences between forecasting assumptions vs. actual earnings*
- (xvi) Percentage of GBP income hedged calculated as FEC hedge divided by Net GBP dividend forecast*
- (xvii) Net forecast dividend after deducting interest costs on Vukile EUR debt and CCIRS fixed interest costs. Forecast dividends are an estimate and will differ from actual dividends because of normal differences between forecasting assumptions vs. actual earnings*
- (xviii) Percentage of EUR income hedged calculated as FEC hedge divided by Net EUR dividend forecast*
- (xix) Total unsecured debt includes (i) unsecured corporate bond VKE11, VKE12, VKE13 and VKE14 and (ii) a €6.5m Standard Bank unsecured term loan*
- (xx) "See-through" Loan-to-Value Ratio is calculated as a ratio of interest bearing debt less cash divided by Property Assets weighted by Vukile Group's respective shareholding in each entity*

◆ Note:

- *MtM of derivatives valued at –R382m not included in interest bearing debt*
- *Cash and cash equivalents (excluding tenant deposits & restricted cash) of R296m*
- *Vukile Group Property Portfolio, on a consolidated basis, includes 100% of the consolidated value of Moruleng Mall (Clidet No. 1011 (Pty) Ltd)*
- *Market value of equity investments consists of Fairvest, Gemgrow and Atlantic Leaf with a value of R2.5bn. Market value of equity investments calculated as the sum of (i) the number of Atlantic Leaf JSE shares (39 887 178) multiplied by their JSE share price (R17.50); (ii) the number of Atlantic Leaf SEM shares (26 071 428) multiplied by their SEM share price (£1.05) and converted at the GBPZAR exchange rate (18.8855) (iii) the number of Fairvest shares (270 394 812) multiplied by their share price (R2.10); (iv) the number of Gemgrow A shares (4 691 084) multiplied by their share price (R9.50); and (v) the number of Gemgrow B shares (114 438 564) multiplied by their share price (R5.98), at 31 March 2019*
- *External Valuation Loan-to-Value ratio is 40.1% and is calculated as a ratio of interest bearing debt divided by the sum of (i) the amount of the most recent External Valuation of all the Properties in the Vukile Group Property Portfolio, on a consolidated basis and (ii) the market value of equity investments*