



2016

ANNUAL RESULTS

12 MONTHS ENDED 31 AUGUST 2016



REBOSIS PROPERTY FUND LIMITED

Sisa Ngebulana - CEO

Key Reboasis highlights

Distribution
growth of

8.2%

Net property income
growth of

10.3%

Assets under
management growth of

29.5%

Assets under
management

**R12,8
billion**

Loan to value
down

34.7%

Low vacancy
of

3.1%

Strategy

- Own dominant regional retail malls
- Retain retail dominance capitalising on strong development expertise
- Retail focused fund
- Retain defensive office portfolio
- Uphold conservative risk management approach



Highlights during the year

Acquisitions

- 11 Diagonal Street R495m
- NF (Blackpool) R750m
- Billion assets R5.0bn

Funding

- Rolled-over portion of DMTN debt R100m
- Equity raised R406m
- New debt raised (4 years) R986m
- Debt renewal (4 years) R1.2bn
- New interest rate swaps R1.3bn
- Cross currency swap R500m

Disposals

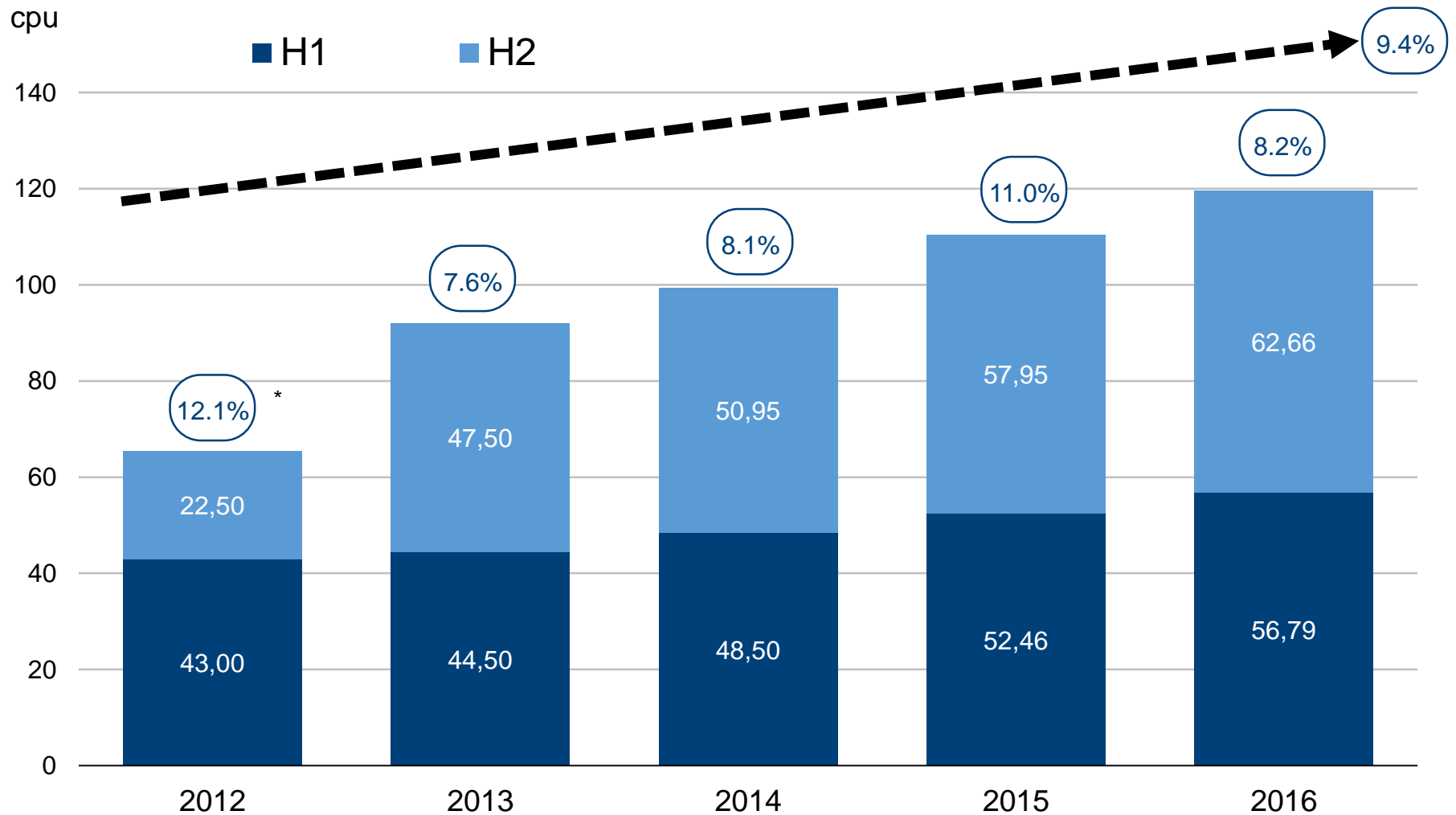
- 28 Harrison St R261m
- 124 Main St R503m
- 64 Eloff St R83m
- Antalis R150m



Financial highlights

	31 Aug 2016 R'000	31 Aug 2015 R'000	Change
Distributable income *	632 814	572 130	⬆️ 10.6%
Market cap	5 704 717	5 525 666	⬆️ 3.2%
Share price (R)	10.76	11.20	⬆️ (3.9%)
Net asset value per share (R)	15.74	12.94	⬆️ 21.6%
Total assets	13 213 271	10 082 520	⬆️ 31.1%
Loan to value ratio	34.7%	35.7%	⬆️ (3.1%)
Cost of debt	8.9%	8.2%	⬆️ 70 bps
Gross expense to income ratio	26.0%	27.0%	
Net expense to income ratio	12.5%	13.3%	
Arrears as % of collectables	1.56%	2.25%	

Distribution growth history



* 3.5 months annualised

Distributable Income Statement - Company

	12 months ended 31 Aug 2016 R'000	12 months ended 31 Aug 2015 R'000	% Change
Net property income	666 073	603 812	⬆️ 10.3%
Rental income	867 646	796 500	⬆️ 8.9%
Net income from facilities management	23 109	21 051	⬆️ 9.8%
Sundry income	1 123	941	⬆️ 19.3%
Operating costs	(225 805)	(214 680)	⬆️ 5.2%
Income from acquisitions	278 611	158 867	
Asset management fees received	17 691	18 891	
Anticipated distribution from listed REIT subsidiary	260 920	139 976	
Antecedent dividend	43 694	62 808	
Administration costs	(47 743)	(37 299)	
Net finance costs	(307 821)	(216 058)	⬆️ 42.5%
Distributable earnings	632 814	572 130	⬆️ 10.6%
Number of shares in issue*	541 865 308	518 169 396	⬆️ 4.6%
Dividend per share (cents)	119.45	110.41	⬆️ 8.2%
Dividend growth	8.2%	11.0%	

Balance sheet extracts - Company

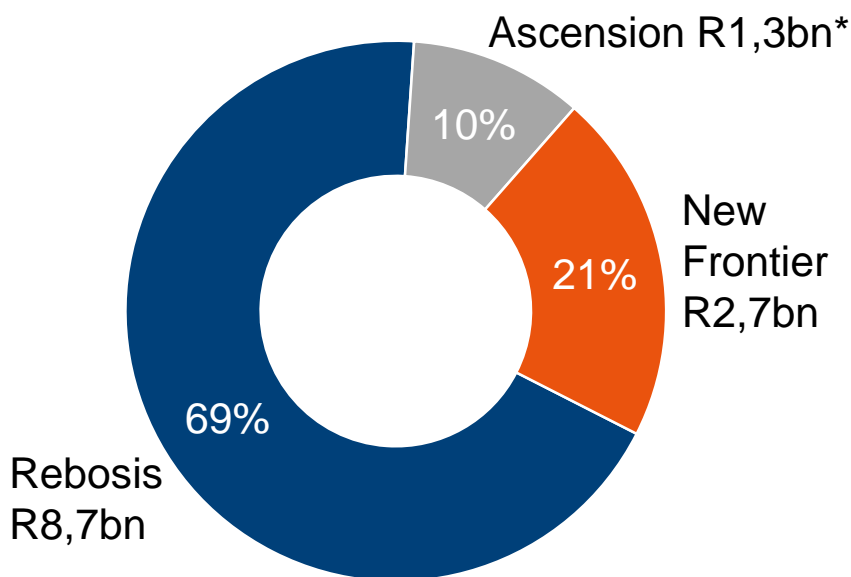
	12 months ended 31 Aug 2016 R'000	12 months ended 31 Aug 2015 R'000	% Change
Assets under management	12 751 784	9 847 165	⬆️ 29.5%
Investment property	7 747 500	7 038 700	⬆️ 10.1%
Investment property held for sale	997 498	-	
Investment in Ascension*	1 138 237	1 164 970	
Investment in New Frontier**	2 681 032	1 493 531	
Right to manage - Ascension	187 517	149 964	
Other assets	461 487	219 879	
Interest-bearing debt	4 577 514	3 599 485	⬆️ 27.2%
Loan to value ratio	34.7%	35.7%	

* Effective 59% holding in Ascension Properties Limited

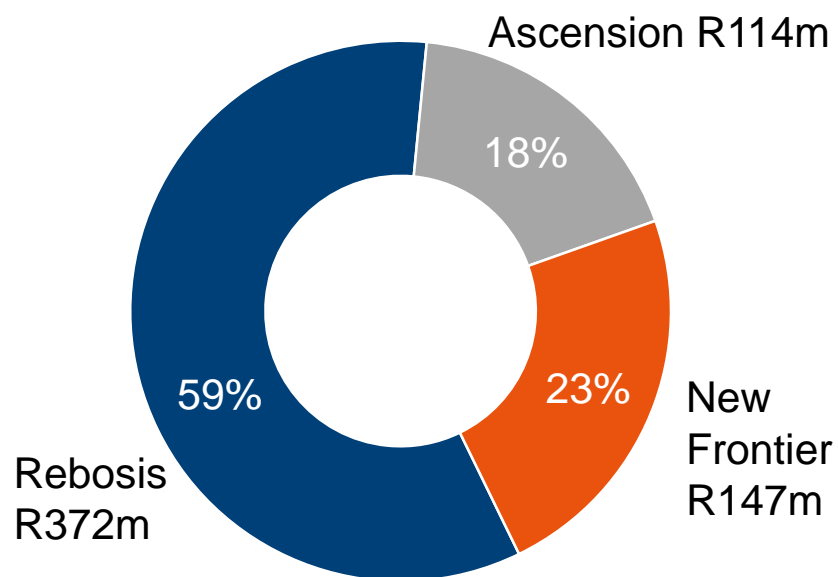
** Effective 67.5% holding in New Frontier

Investment profile

Assets under management



Distributable income



Debt management

	12 months ended 31 Aug 2016 R'000	12 months ended 31 Aug 2015 R'000
Total debt	4 577 514	3 599 485
Bank debt	4 147 514	3 169 485
Debt capital market	430 000	430 000
Fixed debt	80.3%	73.7%
Interest cover	2.9 x	3.1 x
Average debt profile	3.2 yrs	1.7 yr
Average hedge profile	2.7 yrs	2.3 yrs

Property portfolio - As at 31 August 2016



RETAIL

R3.772 bn

4 properties

164,110 m²

3,9 yrs average
lease period

Ave. rent R137.6/m²

16% net cost to
income

R22 982
value / m²

7.3%
Average contractual
escalation



OFFICE

R4.823 bn

15 properties

269,293 m²

3,7 yrs average
lease period

Ave. rent R102.6/m²

10% net cost to
income

R17 912
value / m²

8.5%
Average contractual
escalation



INDUSTRIAL

R150m

1 property

18,954 m²

3,3 yrs average
lease period

Ave. rent R66.3/m²

3% net cost to
income

R7 914
value / m²

7.0%
Average contractual
escalation



TOTAL

R8.745 bn

20 properties

452,357 m²

3,7 yrs average
lease period




Ave. rent R114.7/m²

12% net cost to
income

R19 332
value / m²

8.0%
Average contractual
escalation

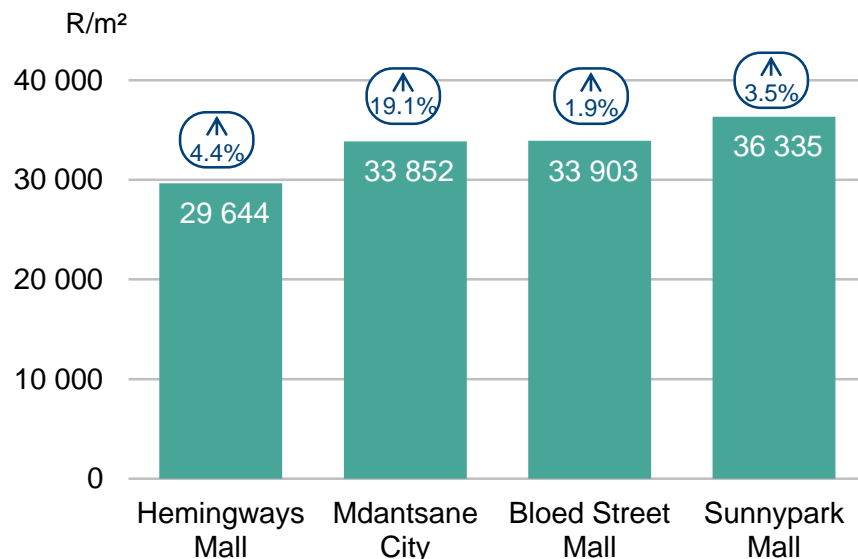
Letting management

	Expiries & cancellations GLA	Expiry rental R/m ²	Renewals/ New lets GLA	New rental R/m ²	Rental escalation on renewal %	Average contractual escalation %
 RETAIL	13 425	288,14	13 444	304,22	5.6%	8.0%
 OFFICE	18 955	102,51	17 836	108,52	5.9%	7.0%
 TOTAL	32 380	179,47	31 280	192,63	5.7%	7.7%

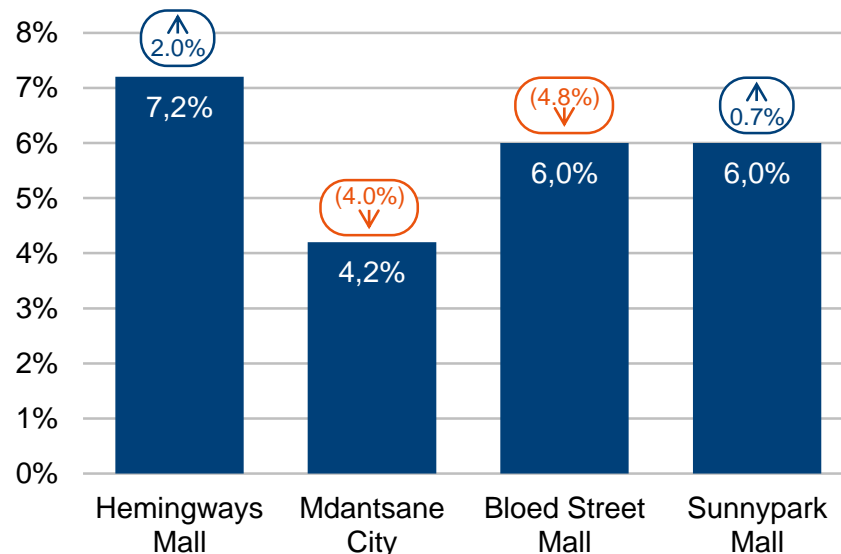
Retail performance

- Slowing trading density growth
- 99% success rate in lease renewals
- 5.6% average rental growth on expiring rent
- 8.0% escalation on new leases
- 6.8% average portfolio trading density growth

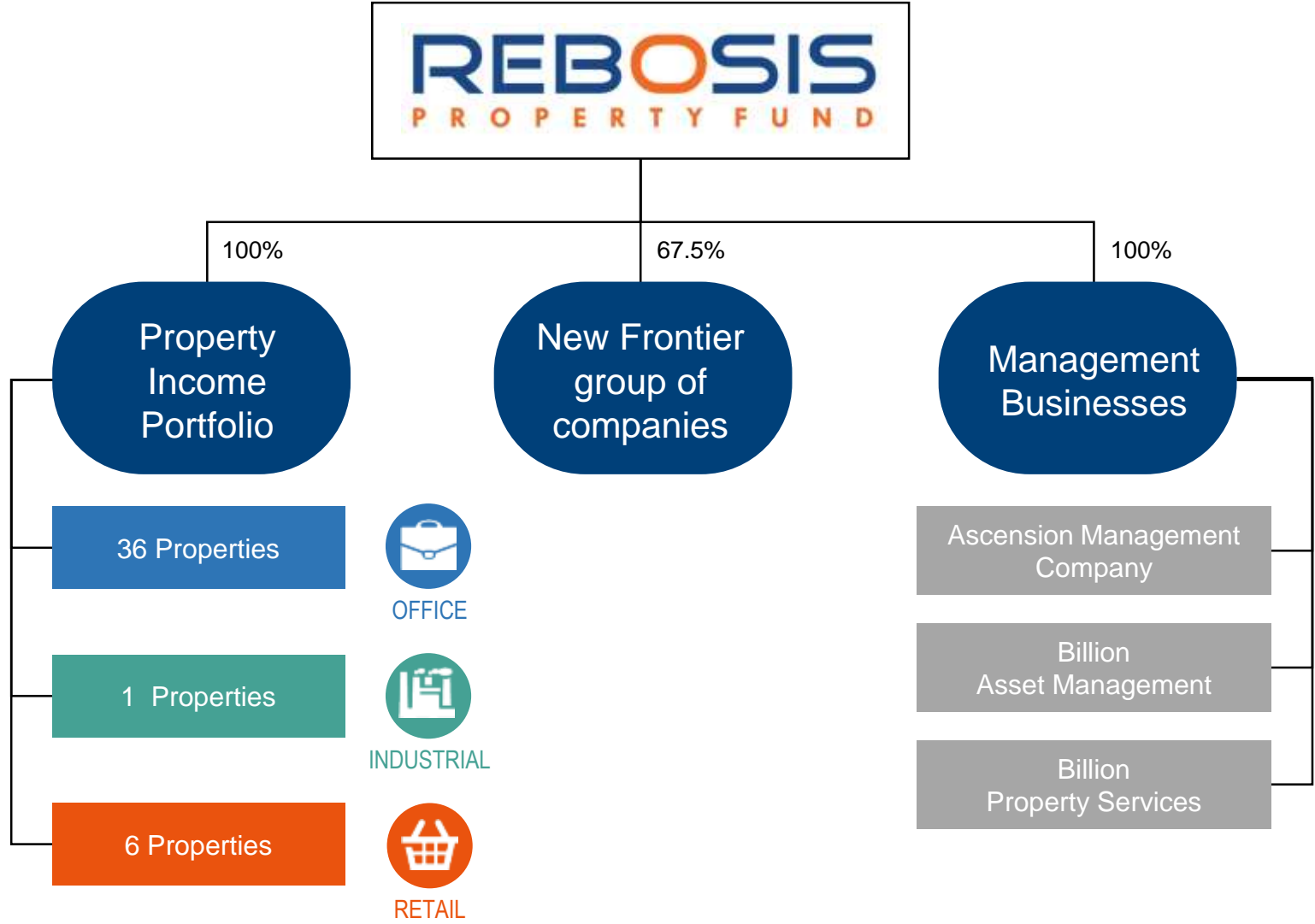
Trading densities



Rent to sales ratio



Post year end activities



Post year-end - Balance sheet extracts

	Post year-end	31 Aug 2016 R'000
Assets under management	18 992 247	12 751 784
Investment property	15 534 698	7 747 500
Investment property held for sale	-	997 498
Investment in Ascension	-	1 138 237
Investment in New Frontier	2 681 032	2 681 032
Goodwill	776 517	187 517
Interest-bearing borrowings	7 618 950	4 577 514
Net asset value	11 779 354	8 529 333
Loan to value	38.9%	34.7%
Net asset value per share (R)	16.11	15.74

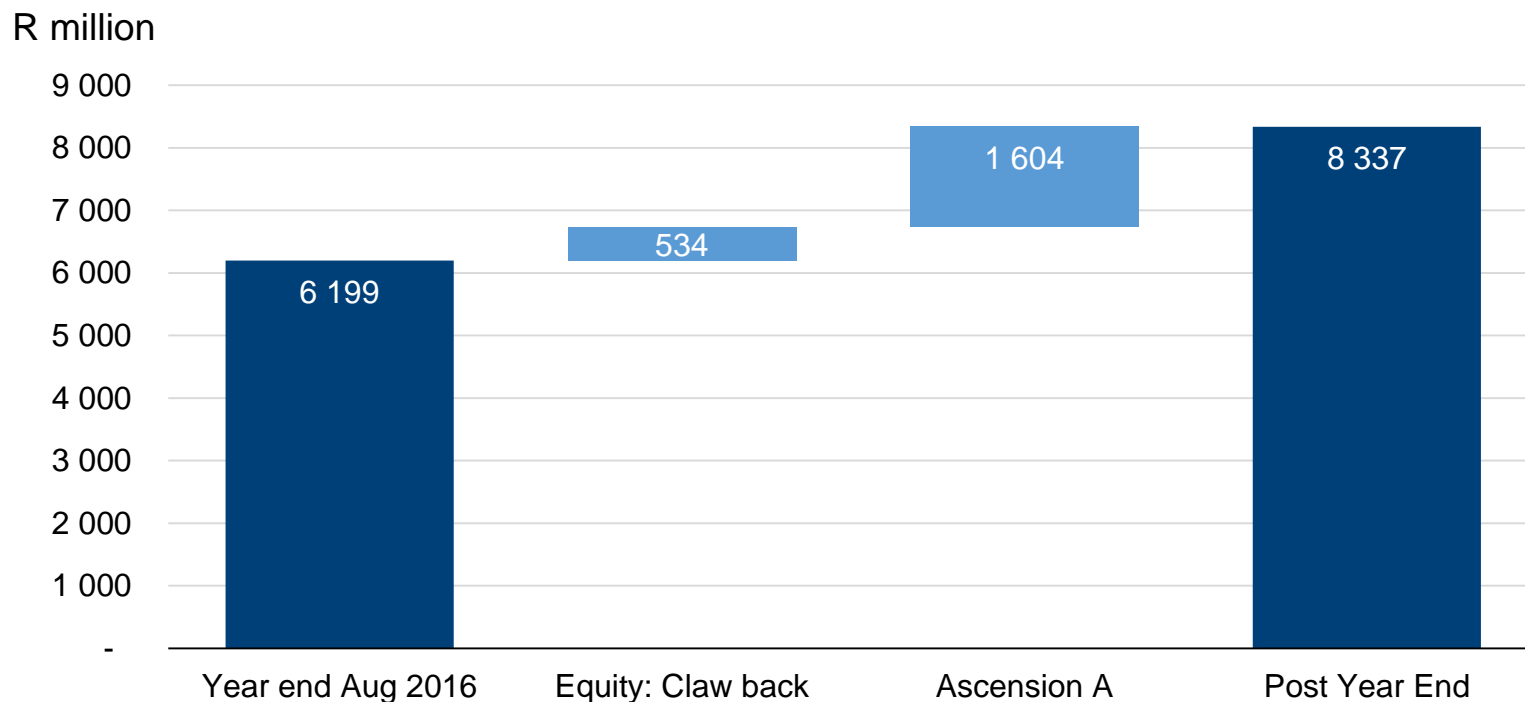
Assumptions:

- Disposals included
- Billion acquisition included (R5bn)
- Ascension assets under investment property (R4,3bn)
- R2,7bn debt on Billion assets included
- R1,2bn Ascension debt included

Post year-end - Market cap

Assumptions:

- Current equity at R11,44 (current VWAP)
- Billion equity through claw back issue included
- New Rebosis A's to replace Ascension A's



Value proposition - Perfect case for re-rating

Ex challenges

External Manco	✓	Internalised management*
Government exposure	✓	Reduced 55% - 31%
Fund size	✓	Market cap at R8,3bn
Retail focus	✓	Increases value 49% - 66%**
SAPY index risk	✓	Entrenched position
Debt and hedge profile	✓	Extended profiles & cover

* No more perceived conflict of interest

** Reduces from 72% post Ascension Scheme



REBOSIS
PROPERTY FUND

OUTLOOK

Outlook

Challenges

- Low economic growth (and retail sales)
- High interest rates
- Political uncertainty
- Credit rating downgrade possibility

Focus

- Bed down new retail acquisitions
- Continue to optimise retail tenant mix
- Integrate management and systems
- Continue to improve operational efficiencies
- Integrate Ascension assets
- Dispose of non-core assets



FY 2017:

Distribution growth forecast of 7% to 9%



REBOSIS
PROPERTY FUND

QUESTIONS AND ANSWERS

Disclaimer

Forward-looking statements

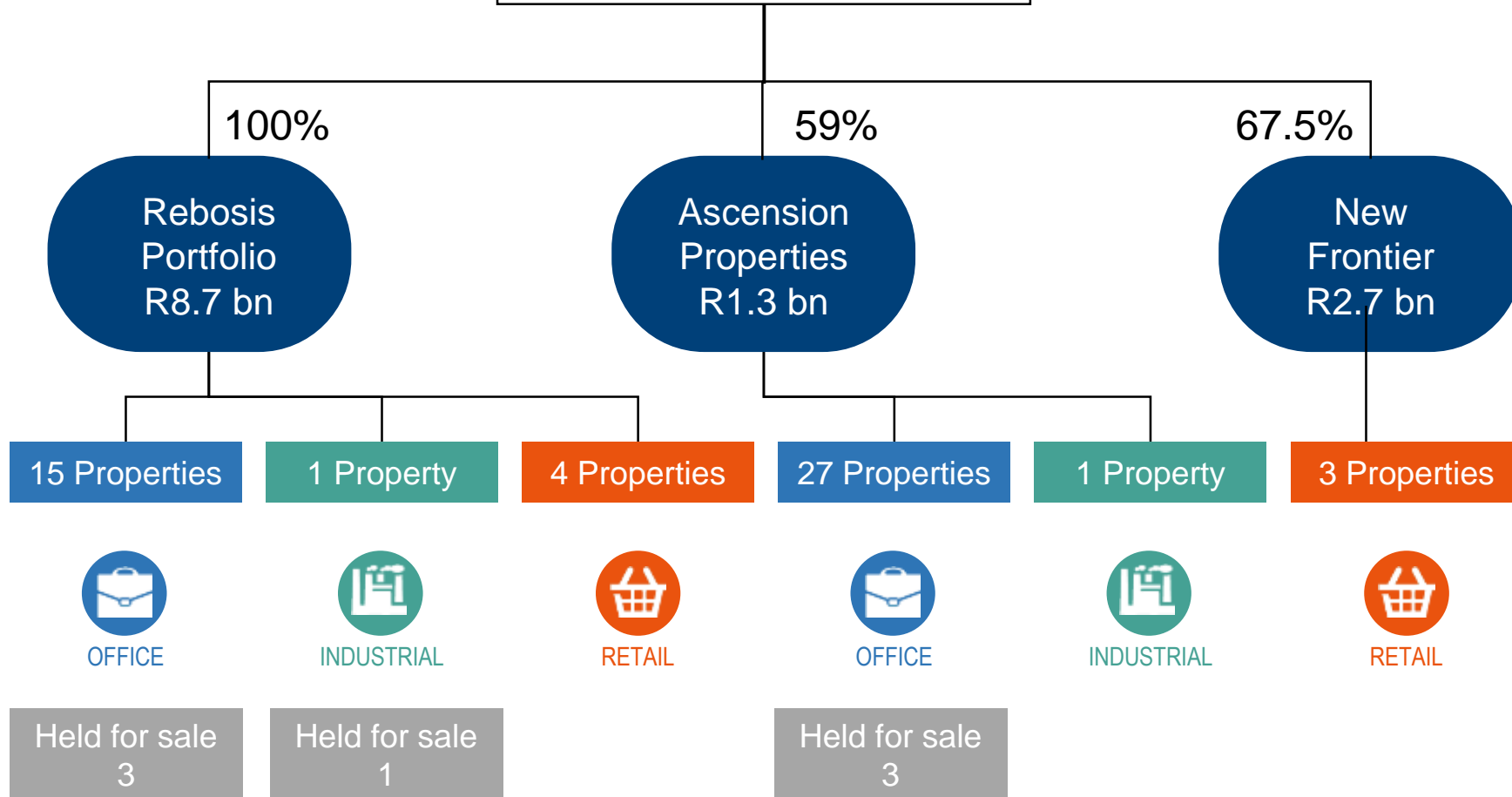
- This document contains forward-looking statements that, unless otherwise indicated, reflect the group's expectations as at 31 August 2016
- Actual results may differ materially from the group's expectations if known and unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate
- The group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on any forward-looking statements
- The group disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available as a result of future events or for any other reason, other than as required by the JSE Listings Requirements



REBOSIS
PROPERTY FUND

APPENDICES

Company structure at 31 August 2016



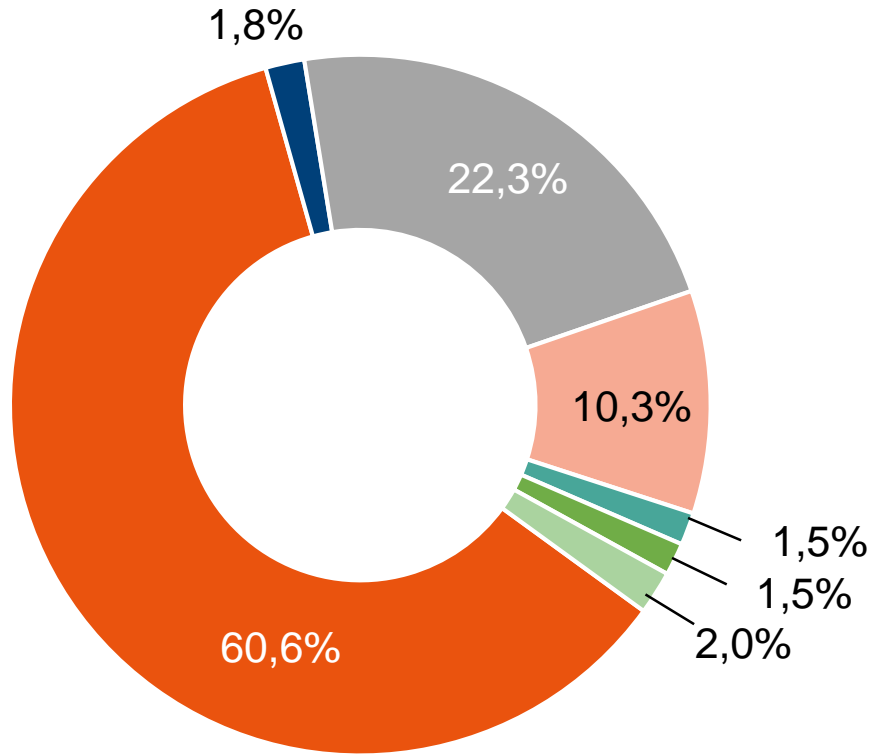
Statements of Financial Position

	31 August 2016 R000	Restated 31 August 2015 R000
ASSETS		
Non-current assets	11 936 695	9 968 630
Investment property	7 747 500	7 038 700
Loans to group companies	1 946 001	1 179 999
Investment in subsidiaries	2 076 785	1 643 730
Goodwill	95 703	95 703
Derivative instruments	70 492	10 071
Property, plant and equipment	214	427
Investment properties held for sale	997 498	-
Current assets	279 078	113 890
Short-term portion of derivatives	22 182	-
Trade and other receivables	125 538	57 619
Cash and cash equivalents	131 358	56 271
Total assets	13 213 271	10 082 520
EQUITY AND LIABILITIES		
Equity	8 539 748	6 400 083
Stated capital	5 615 055	5 219 879
Retained income	2 924 693	1 180 204
Foreign currency translation reserve	-	-
Total equity attributable to equity holders of the parent	8 539 748	6 400 083
Non-controlling interests	-	-
Liabilities	3 907 273	1 840 171
Interest-bearing borrowings	3 907 273	1 839 015
Derivative instruments	-	1 156
Deferred taxation	-	-
Current liabilities	766 250	1 842 266
Short term portion of interest-bearing borrowings	670 241	1 757 152
Trade and other payables	96 009	85 114
Tax payable	-	-
Total equity and liabilities	13 213 271	10 082 520

Statements of Profit or Loss and other Comprehensive Income

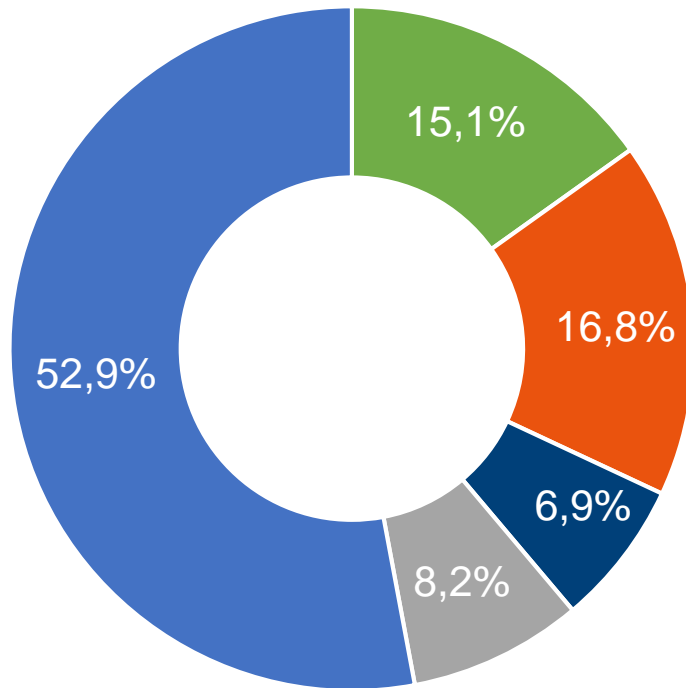
	31 August 2016 R000	Restated 31 August 2015 R000
Revenue		
Property portfolio	1 040 971	910 256
Contractual rental income	867 646	796 500
Listed property securities and related income	203 450	60 262
Straight line rental income accrual	(30 125)	53 494
Net income from facilities management	23 109	21 051
Asset management fee income	16 609	14 679
Sundry income	1 123	941
Total revenue	1 081 812	946 927
Operating costs	(225 805)	(214 680)
Administration costs	(46 452)	(33 405)
Net operating profit	809 555	698 842
Gain on bargain purchase	-	-
Changes in fair values	1 647 129	442 810
Profit from operations	2 456 684	1 141 652
Net finance charges	(314 611)	(222 304)
Finance charges - secured loans	(357 403)	(265 208)
Interest received - other	42 792	42 904
Profit before debenture interest and taxation	2 142 073	919 348
Debenture interest	-	(346 811)
Profit before taxation	2 142 073	572 537
Taxation	-	-
Profit for the year	2 142 073	572 537
Profit from discontinued operations	-	-
Profit for the year	2 142 073	572 537
Other comprehensive income		
Foreign currency translation reserve	-	-
Total comprehensive income	2 142 073	572 537
Profit attributable to:		
Owners of the parent	2 142 073	572 537
Non-controlling interest	-	-
Profit for the year	2 142 073	572 537
Total comprehensive income attributable to:		
Owners of the parent	2 142 073	572 537
Non-controlling interests	-	-
Total comprehensive income for the year	2 142 073	572 537

Gross income analysis



- Contractual rental income
- Other income
- Investment income
- Utility recovery
- Rates recovery
- Asset management fees
- Facilities management income

Expenditure analysis



■ Property expenses

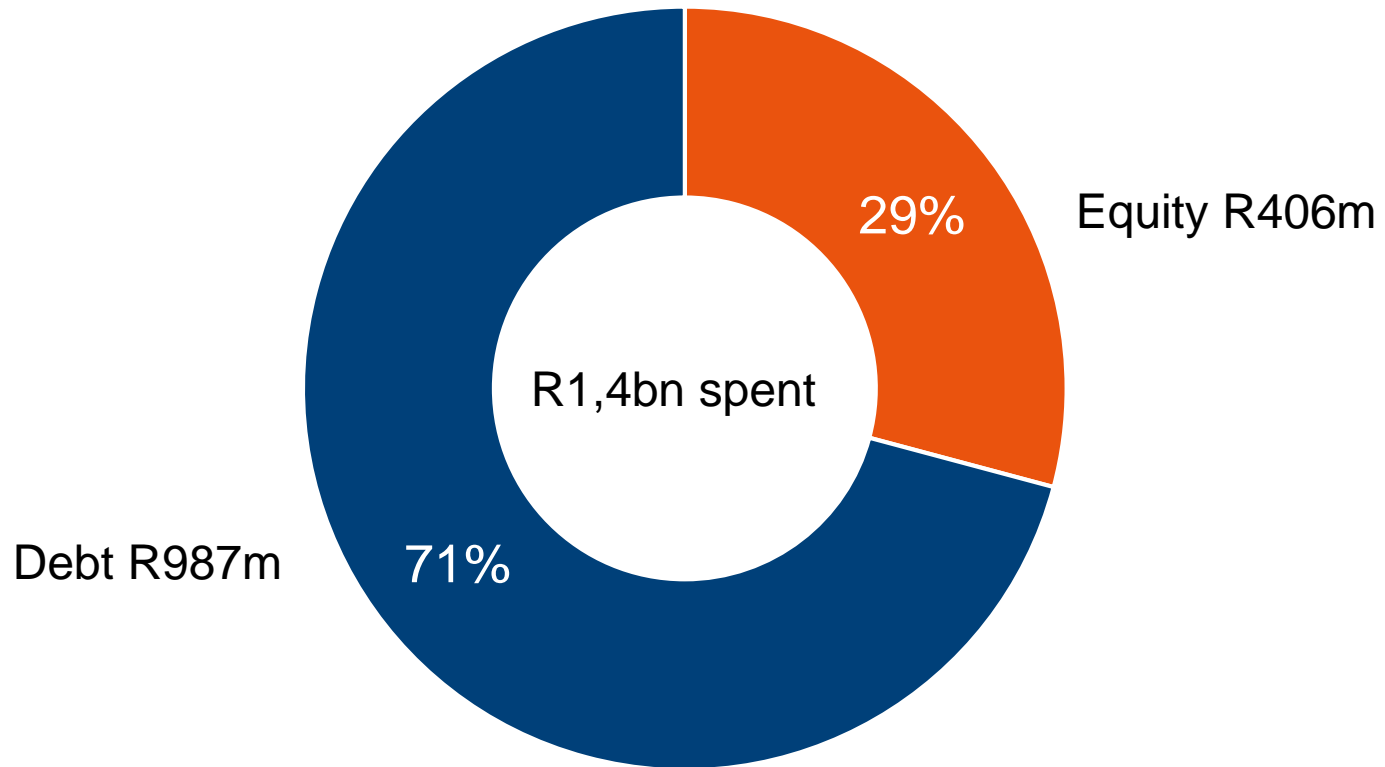
■ Utilities

■ Rates & taxes

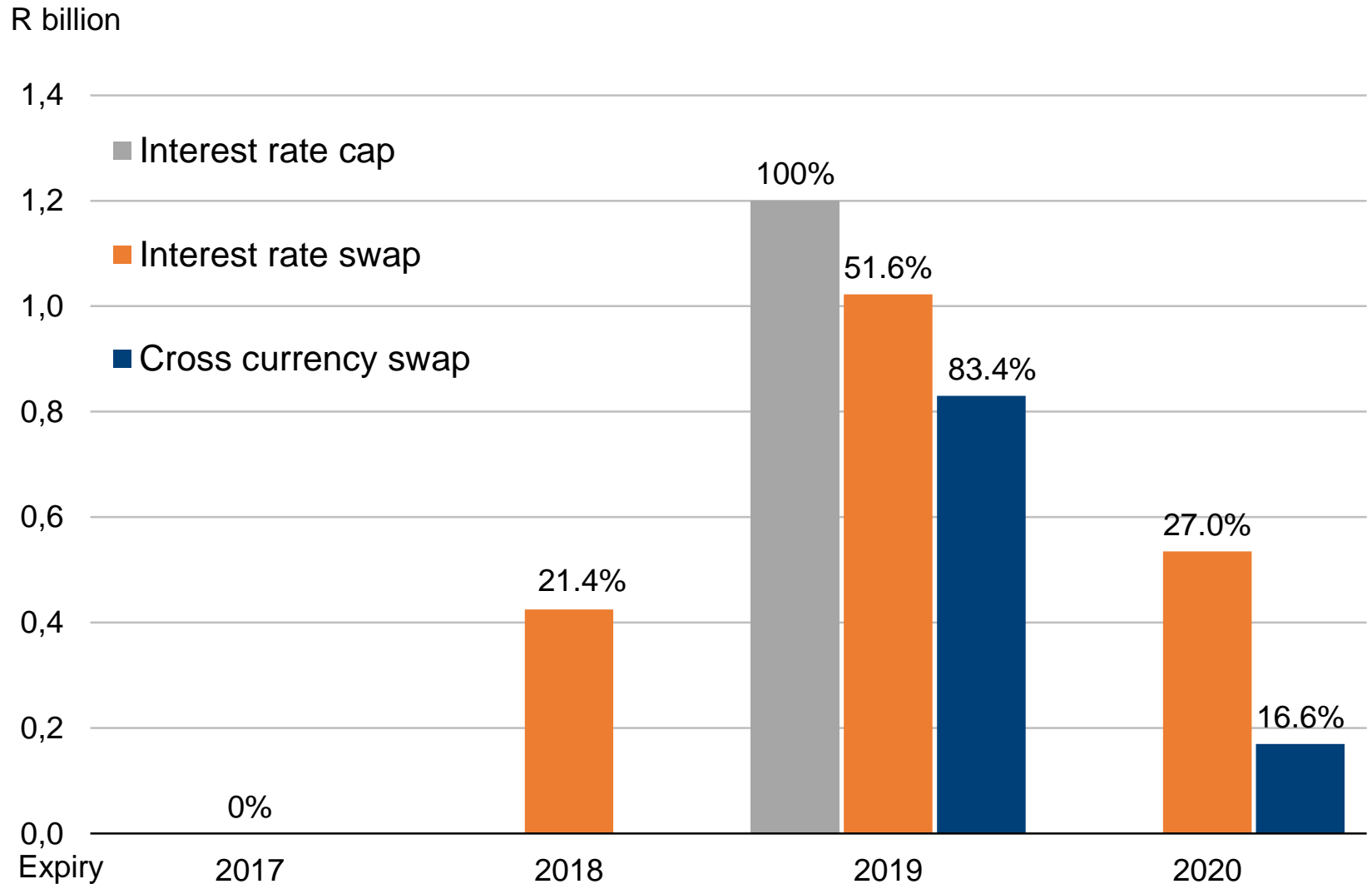
■ Corporate & admin

■ Net finance costs

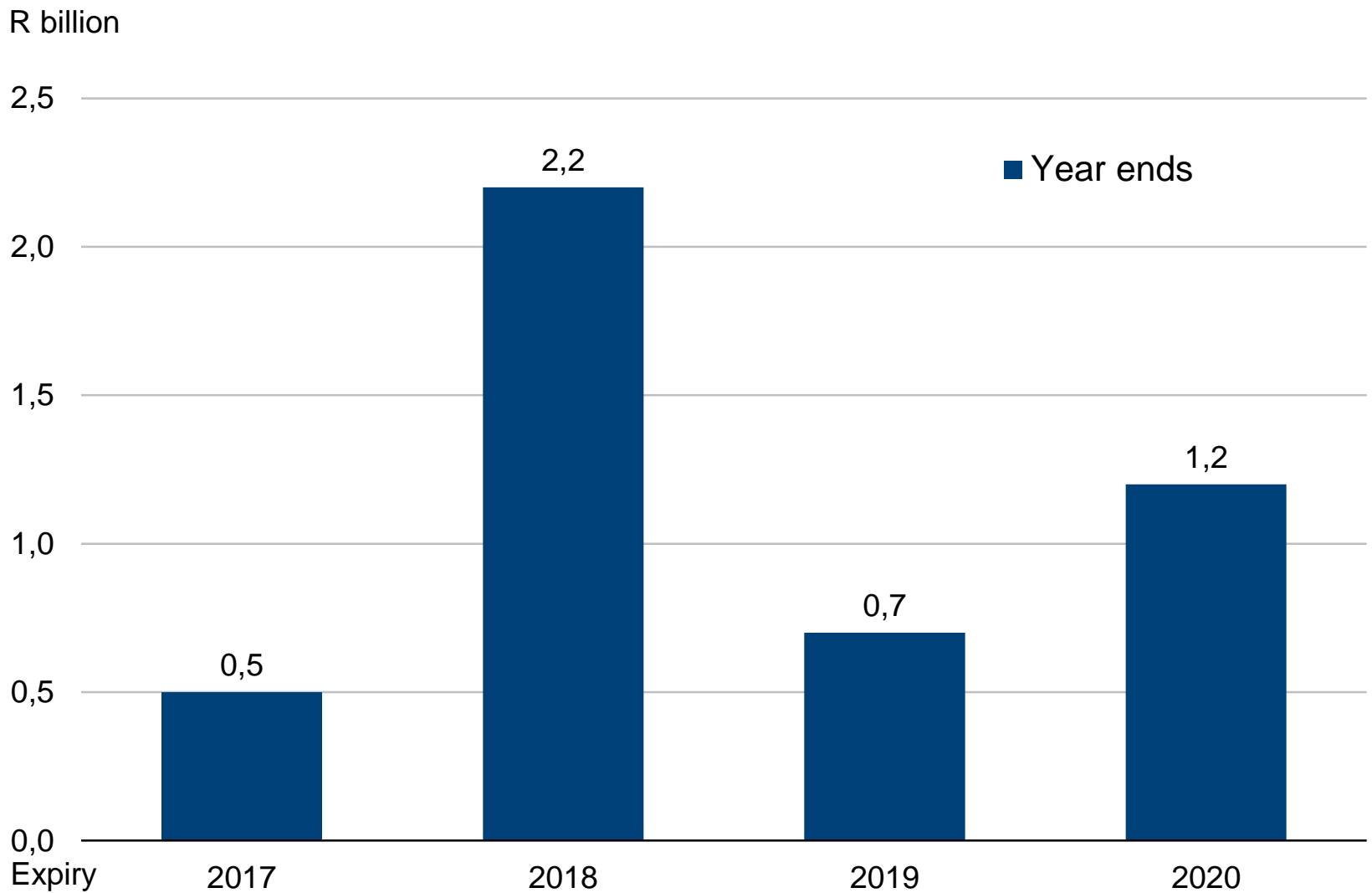
Sources of capital invested



Hedging expiry profile

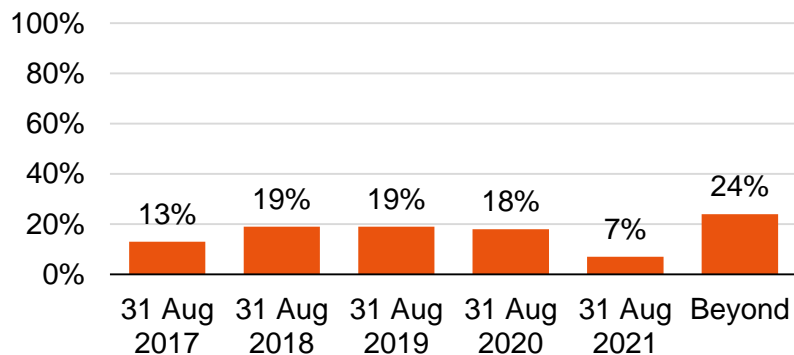


Debt expiry profile

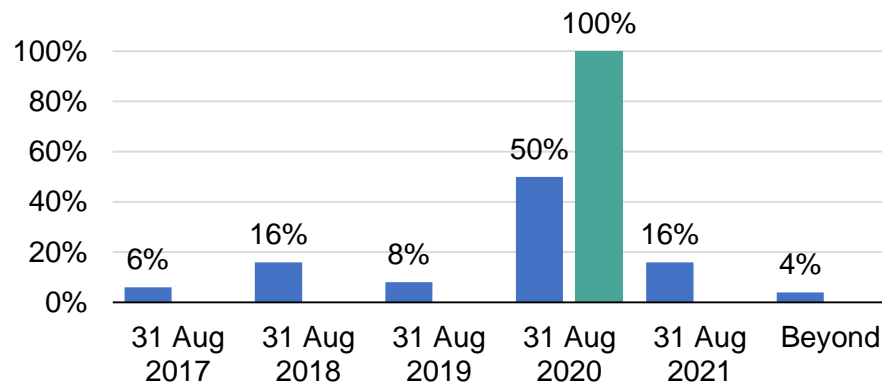


Lease expiry profile

Retail



Office & Industrial



OFFICE

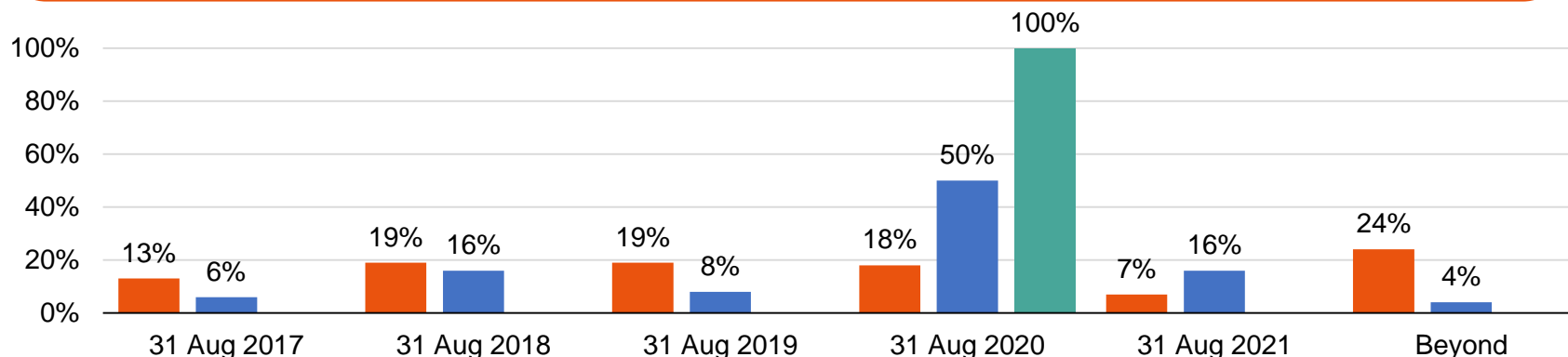


INDUSTRIAL

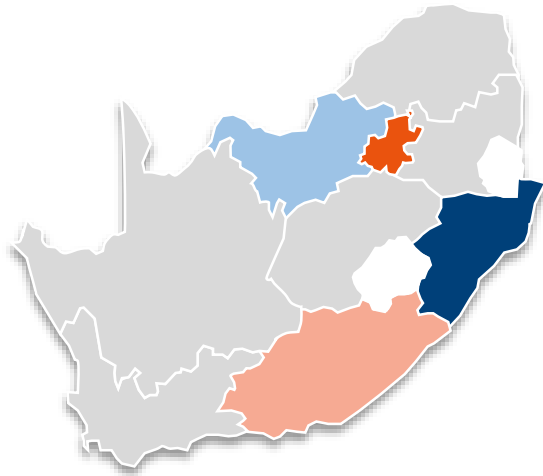


RETAIL

Overall expiry profile

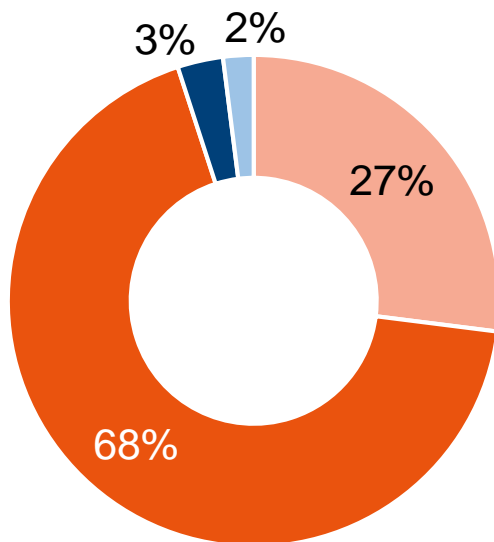


Geographic spread – Direct properties

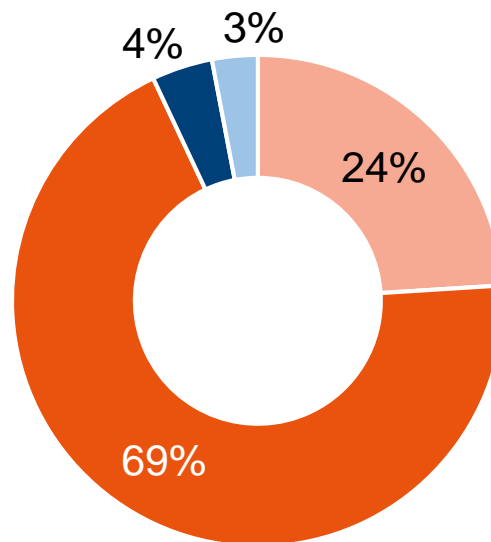


- Eastern Cape
- Gauteng
- KwaZulu-Natal
- North West

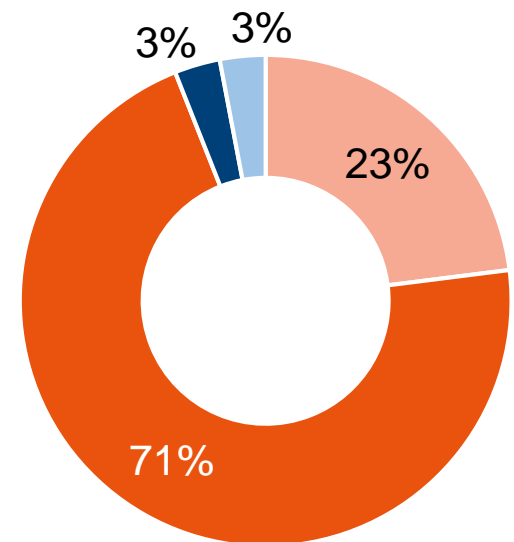
Value



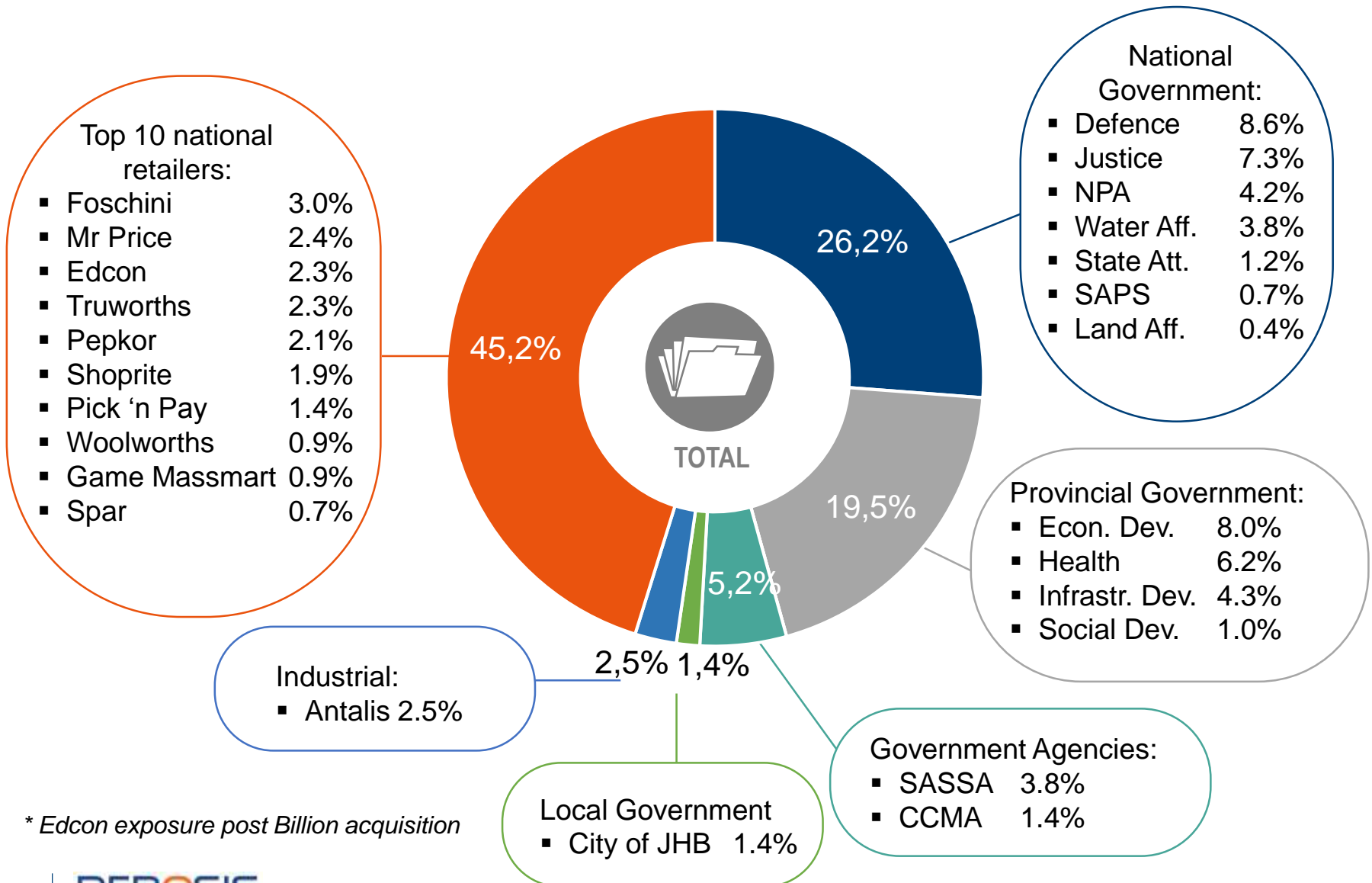
GLA



Net income

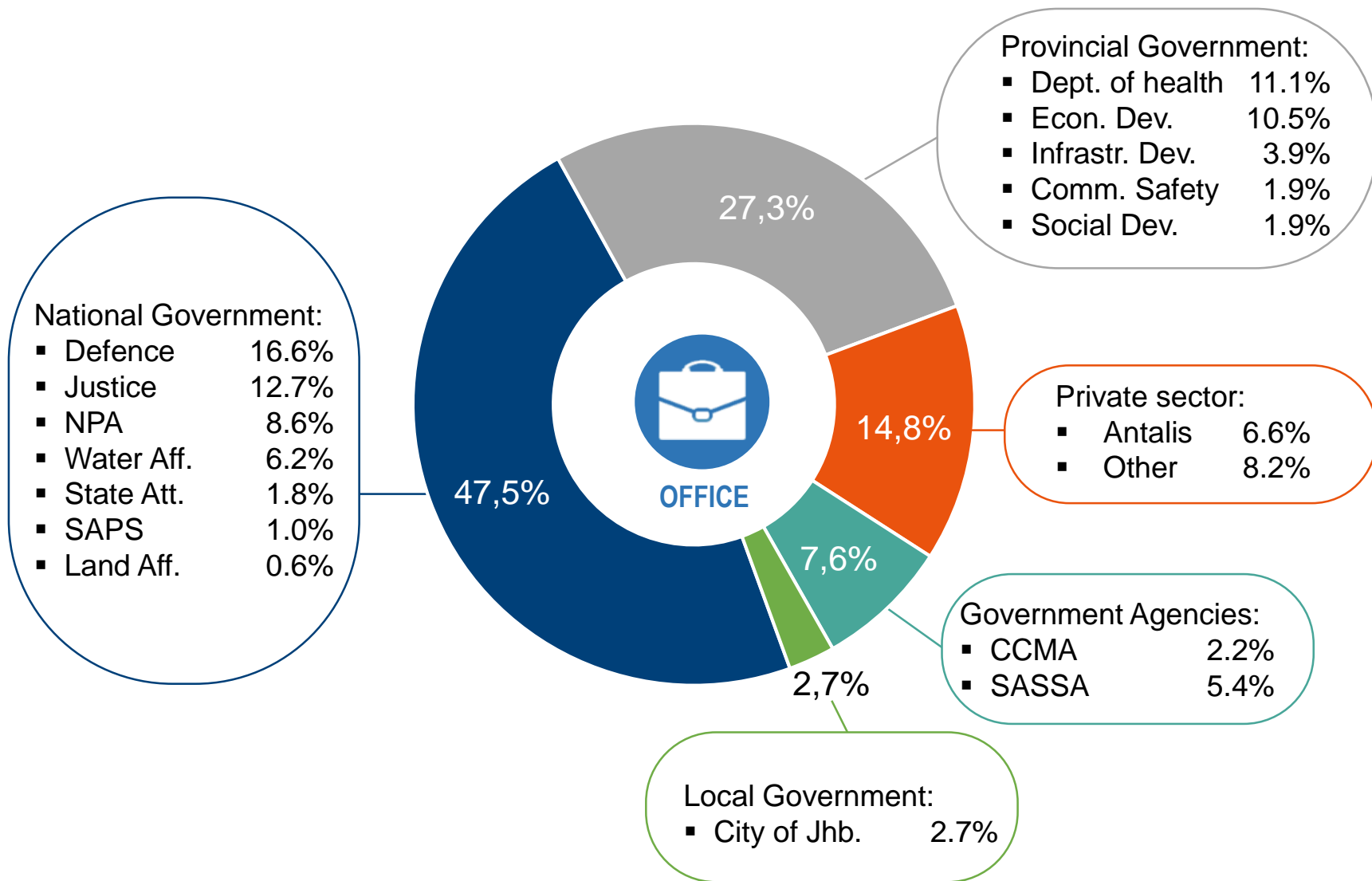


Overall segmented exposure by rental income

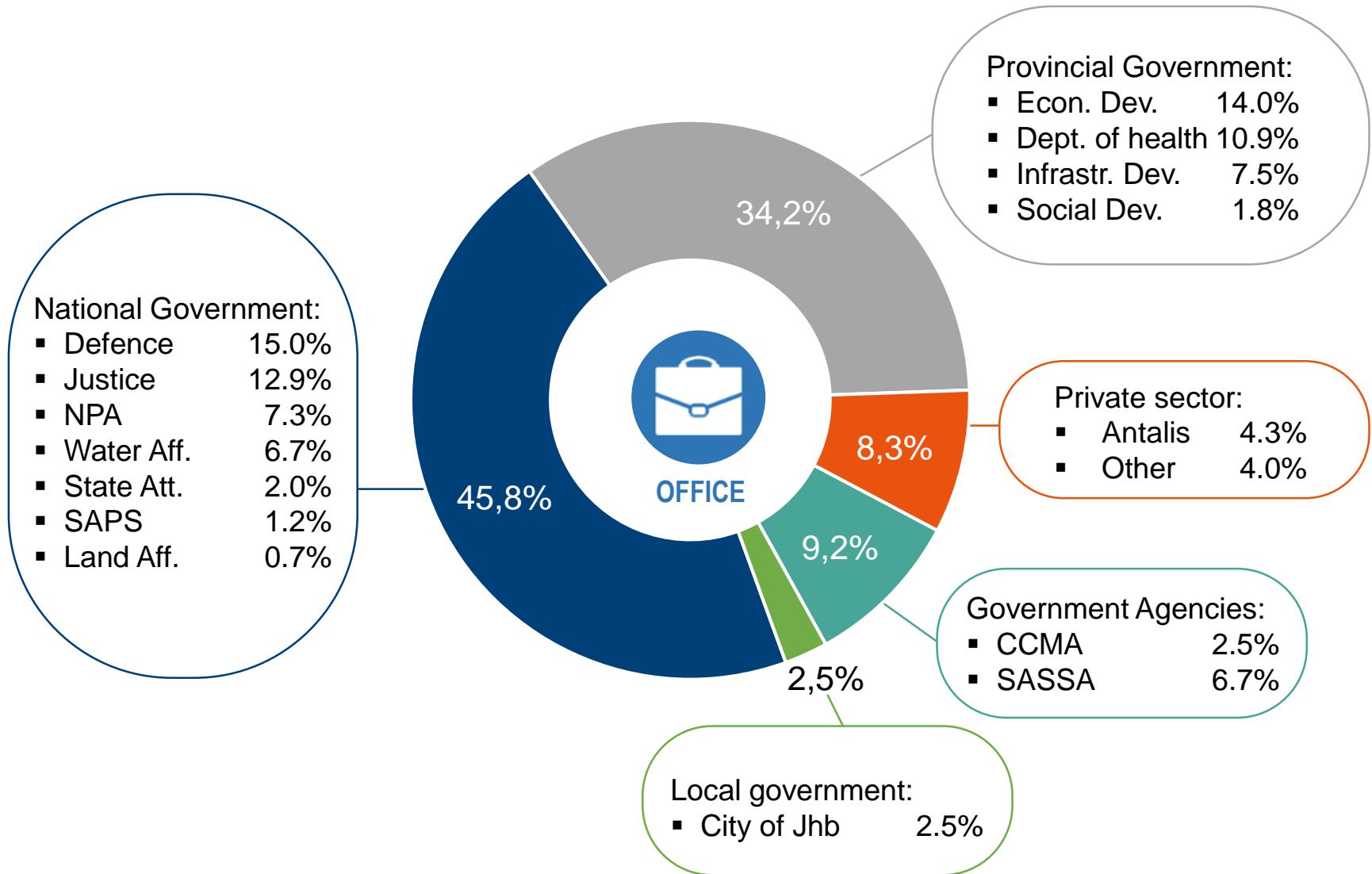


* Edcon exposure post Billion acquisition

Segmented office exposure by GLA



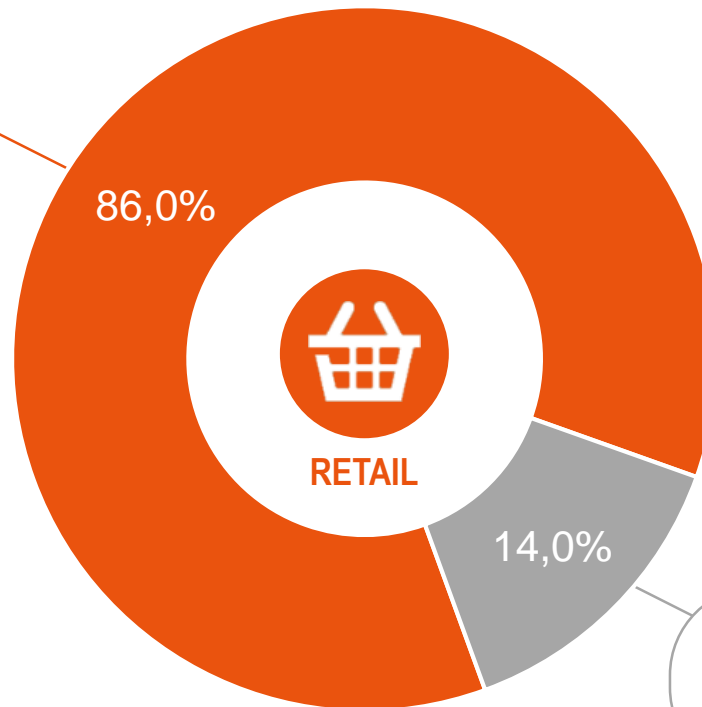
Segmented office exposure by rental income



Overall segmented retail exposure by GLA

Top 10 national retailers:

▪ Edcon	8.4%
▪ Shoprite	8.1%
▪ Woolworths	6.0%
▪ Foschini	5.6%
▪ Pick 'n Pay	5.5%
▪ Pepkor	4.6%
▪ Mr Price	4.5%
▪ Truworths	3.7%
▪ Game Massmart	2.6%
▪ Spar	2.0%

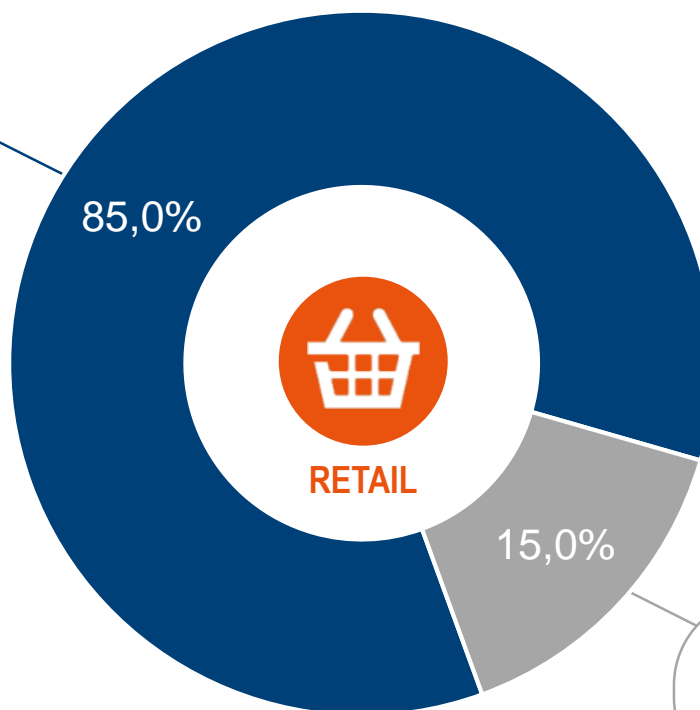


Non-national
retailers

Overall segmented asset exposure by net income

Top 10 national retailers:

▪ Foschini	6.4%
▪ Mr Price	5.2%
▪ Edcon	4.9%
▪ Truworths	4.9%
▪ Pepkor	4.6%
▪ Shoprite	4.1%
▪ Pick 'n Pay	3.1%
▪ Game Massmart	2.0%
▪ Woolworths	1.9%
▪ Spar	1.4%



Non-national
retailers

Retail properties by value

Hemingways Mall



Region East London

Valuation (R'000) 1 900 000

Total rentable area (m²) 73 497

Vacancy levels 3.8%

Foot count 8,6 million

% of nationals 87%

Sunnypark Mall



Region Pretoria

Valuation (R'000) 740 000

Total rentable area (m²) 27 650

Vacancy levels 4.3%

Foot count 9,2 million

% of nationals 85%

Bloed Street Mall



Region Pretoria

Valuation (R'000) 630 000

Total rentable area (m²) 27 061

Vacancy levels 2.1%

Foot count 6,4 million

% of nationals 86%

Mdantsane City



Region East London

Valuation (R'000) 501 500

Total rentable area (m²) 35 902

Vacancy levels 1.6%

Foot count 10,1 million

% of nationals 83%

Top 5 commercial properties by value

SALU building



Region Pretoria

Valuation (R'000) 665 000

Total rentable area (m²) 30 354

Vacancy levels 0%

Tenant Justice

Tenant type National

Victoria Mxenge



Region Pretoria

Valuation (R'000) 619 000

Total rentable area (m²) 24 720

Vacancy levels 0%

Tenant NPA

Tenant type National

Liberty building



Region Pretoria

Valuation (R'000) 605 000

Total rentable area (m²) 33 885

Vacancy levels 0%

Tenant Defence

Tenant type National

11 Diagonal St



Region JHB

Valuation (R'000) 566 000

Total rentable area (m²) 35 347

Vacancy levels 0%

Tenant DID

Tenant type Gauteng

124 Main Street



Region JHB

Valuation (R'000) 548 000

Total rentable area (m²) 20 818

Vacancy levels 0%

Tenant Econ. Dev.

Tenant type Gauteng

Sales - Rebosis



OFFICE

28 Harrison St

Jhb

R261m*



OFFICE

124 Main St

Jhb

R503m*



OFFICE

64 Eloff St

Jhb

R83m*



INDUSTRIAL

Antalis

Jhb

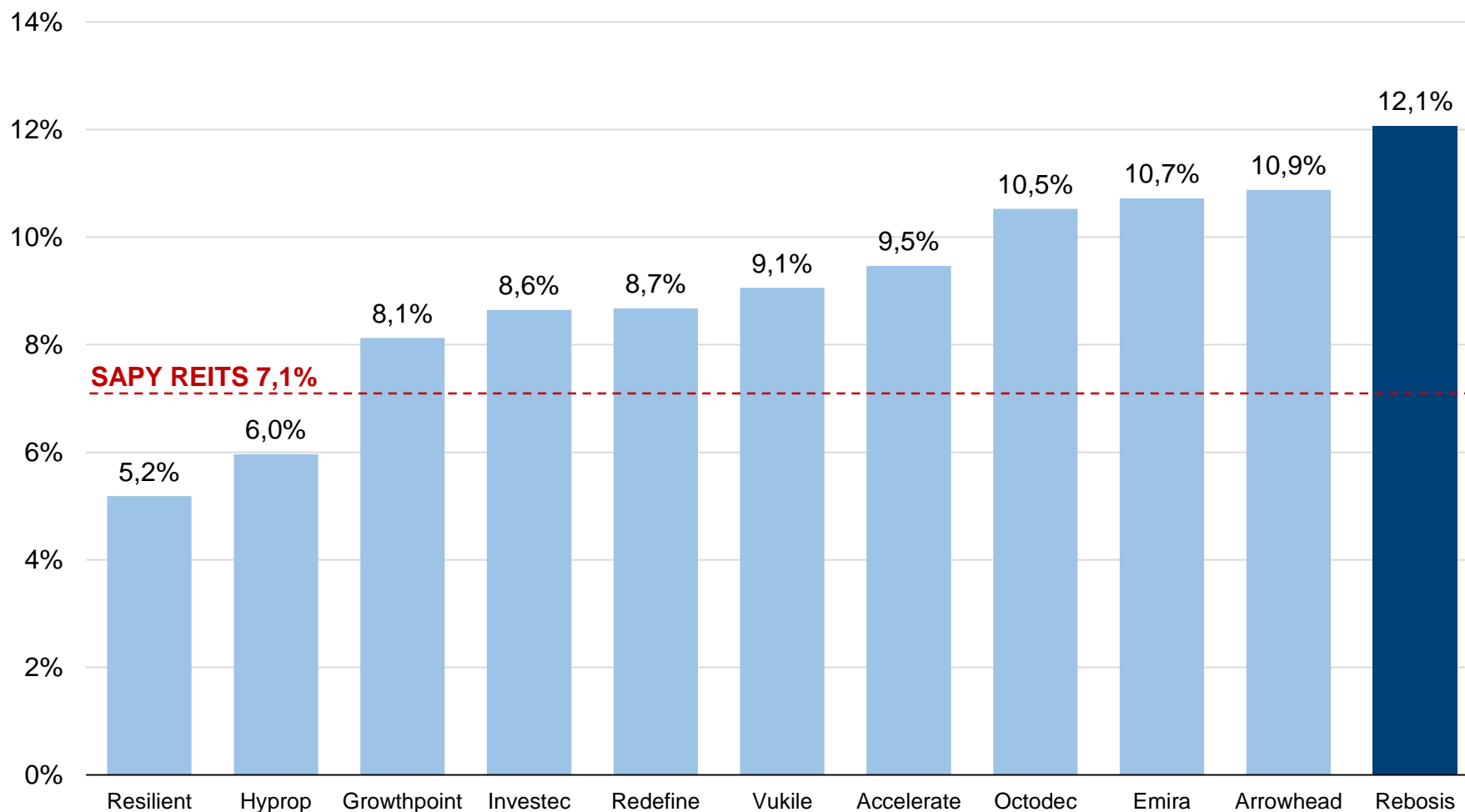
R150m*



TOTAL

R997m*

Market review - Forward Yield (Peer Comparison)



5-year share history

