

REBOSIS PROPERTY FUND LIMITED

("Rebosis" or the "company" or the "group")

Registration number 2010/003468/06

(Approved as a REIT by the JSE)

JSE share code: REA - ISIN: ZAE000240552

JSE share code: REB - ISIN: ZAE000201687

UNAUDITED RESULTS for the six months ended 28 February 2017

#### INVESTMENT HIGHLIGHTS

|                                   |                               |
|-----------------------------------|-------------------------------|
| DIVIDEND GROWTH                   | 7,1% to 60,80 cents per share |
| VACANCIES (SA)                    | 2,4% from 3,1% at year-end    |
| FIRST REBOSIS A-SHARE DIVIDEND    | 120,41 cents per share        |
| INVESTMENT PROPERTY INCOME GROWTH | 39,5% to R1,180 billion       |
| SA DEBT                           | 100 % hedged                  |

#### SA Retail

- 6 high growth dominant malls
- 86% national tenant profile
- Average escalation of 7,4%
- Vacancies 1,5%

#### Office

- 42\* predominantly A and B grade well-located properties
- Let primarily to National Department of Public Works
- Average escalation of 8,2%
- Shielded from private sector e.g. tenant cash flow and insolvency related default
- Vacancies 4,1%

\*Includes Investment Property Held for Sale

#### Industrial

- Industrial warehouses
- Weighted average lease expiry of 4,5 years
- Lease underpinned by international listed blue chip parent company and SA Government
- Average escalation of 7,5%
- Vacancies 0,1%

#### UK Portfolio

- 3 well located dominant retail centres
- Weighted average unexpired lease term (WAULT) 8,3 years
- 85% national tenant profile
- Vacancies 6,4%

## STATEMENT OF COMPREHENSIVE INCOME

|  | Group  |  | Company  |  |
|--|--|--|--|--|
|  | Unaudited for the<br>six months ended<br>28 February 2017<br>R'000 | Unaudited for the<br>six months ended<br>29 February 2016<br>R'000 | Unaudited for the<br>six months ended<br>28 February 2017<br>R'000 | Unaudited for the<br>six months ended<br>29 February 2016<br>R'000 |
| Revenue  | 1 166 755  | 852 460  | 541 782  | 414 691  |
| Investment property income                           | 1 180 281  | 845 840  | 536 885  | 424 507  |
| Net income from facilities management agreement      | 10 347   | 10 577   | 10 347   | 10 577   |
| Management fees received                             | -  | 9 191  | 8 684  | 8 276  |
| Straight-line rental income accrual                  | (23 873)   | (13 148)   | (14 134)   | (28 669)   |
| Property expenses                                    | (297 833)  | (162 579)  | (134 142)  | (112 846)  |
| Net property income                                  | 868 922  | 689 881  | 407 640  | 301 845  |
| Other operating expenses                             | (62 351)   | (108 217)  | (34 204)   | (22 010)   |
| Operating income                                     | 806 571  | 581 664  | 373 436  | 279 835  |
| Net interest   | (441 958)  | (279 210)  | (173 666)  | (161 947)  |
| Received   | 69 513   | 2 780  | 69 384   | 1 470  |
| Paid   | (511 471)  | (281 990)  | (243 050)  | (163 417)  |
| Net operating income                                 | 364 613  | 302 454  | 199 770  | 117 888  |
| Gain on bargain purchase                             | 97 389   | -  | -  | -  |
| Other income   | 2 991  | 709  | -  | 581  |
| Changes in fair values                               | 766 616  | 1 084 998  | (8 628)  | 1 217 534  |
| Investment property                                  | 697 020  | 1 154 944  | 365 624  | 920 768  |
| Investment in subsidiaries                           | -  | -  | (414 421)  | 271 559  |
| Derivative instruments                               | 69 596   | (69 946)   | 40 169   | 25 207   |
| Loss on disposal                                     | (26 705)   | -  | (26 705)   | -  |
| Investment in subsidiary                             | (26 705)   | -  | (26 705)   | -  |
| Net income before equity-accounted investments       | 1 204 904  | 1 388 161  | 164 437  | 1 336 003  |
| Dividends received                                   | -  | 46   | 117 838  | 85 852   |
| Profit before taxation                               | 1 204 904  | 1 388 207  | 282 275  | 1 421 855  |
| Taxation   | 1 452  | (6 511)  | -  | -  |
| Total profit for the year                            | 1 206 356  | 1 381 696  | 282 275  | 1 421 855  |
| Other comprehensive income                           |  |  |  |  |
| <i>Items that may be recycled to profit and loss</i> |  |  |  |  |
| Foreign currency translation reserve                 | (346 420)  | 168 816  | -  | -  |
| Total comprehensive income                           | 859 936  | 1 550 512  | 282 275  | 1 421 855  |
| Total profit attributable to:                        |  |  |  |  |
| Owners of the parent                                 | 1 063 682  | 1 248 968  | 282 275  | 1 421 855  |
| Non-controlling interests                            | 142 674  | 132 728  | -  | -  |
| Profit for the year                                  | 1 206 356  | 1 381 696  | 282 275  | 1 421 855  |
| Total comprehensive income attributable to:          |  |  |  |  |
| Owners of the parent                                 | 820 550  | 1 339 404  | 282 275  | 1 421 855  |

|   |         |           |         |           |
|---|---------|-----------|---------|-----------|
| Non-controlling interests               | 39 386  | 211 108   | -       | -         |
| Total comprehensive income for the year | 859 936 | 1 550 512 | 282 275 | 1 421 855 |

STATEMENT OF FINANCIAL POSITION

|  | Group   |   | Company   |   |
|--|---|---|---|---|
|  | Unaudited<br>as at<br>28 February 2017<br>R'000 | audited<br>as at<br>31 August 2016<br>R'000 | Unaudited<br>as at<br>28 February 2017<br>R'000 | audited<br>as at<br>31 August 2016<br>R'000 |
| <b>ASSETS</b>  |   |   |   |   |
| Non-current assets   | 22 234 642                                      | 17 383 410                                  | 14 064 080                                      | 11 937 055                                  |
| Investment property  | 21 282 118                                      | 16 996 072                                  | 8 097 097                                       | 7 747 500                                   |
| Investment in subsidiaries   | -   | -   | 3 264 344                                       | 2 076 785                                   |
| Loans to group companies   | -   | -   | 2 524 544                                       | 1 946 001                                   |
| Goodwill   | 856 496   | 315 906                                     | 95 703  | 95 703                                      |
| Derivative instruments   | 82 135  | 70 852                                      | 82 135  | 70 852                                      |
| Property, plant and equipment  | 13 893  | 580   | 257   | 214   |
| Current assets   | 1 707 939                                       | 561 798                                     | 1 064 009                                       | 278 718                                     |
| Short-term portion of derivatives  | 50 708  | 23 486                                      | 50 708  | 21 822                                      |
| Trade and other receivables  | 652 010   | 309 233                                     | 196 499   | 125 53                                      |
| Cash and cash equivalents  | 1 005 221                                       | 229 079                                     | 816 802   | 131 356                                     |
| Investment property held for sale  | 1 311 233                                       | 1 156 698                                   | 1 023 233                                       | 997 498                                     |
|  | 25 253 814                                      | 19 101 906                                  | 16 151 322                                      | 13 213 271                                  |
| <b>EQUITY AND LIABILITIES</b>  |   |   |   |   |
| Equity   | 11 284 303                                      | 9 462 284                                   | 9 679 460                                       | 8 539 748                                   |
| Stated capital   | 6 788 304                                       | 5 590 410                                   | 6 813 567                                       | 5 165 055                                   |
| Reserves   | 2 903 187                                       | 2 179 569                                   | 2 865 893                                       | 2 924 693                                   |
| Foreign currency translation reserve   | (316 936)                                       | (73 508)                                    | -   | -   |
| Total equity attributable to equity owners of the parent entity                  | 9 374 555                                       | 7 696 174                                   | 9 679 460                                       | 8 539 748                                   |
| Non-controlling interests  | 1 909 748                                       | 1 766 110                                   | -   | -   |
| Non-current liabilities  | 9 632 954                                       | 8 170 604                                   | 3 088 934                                       | 3 907 273                                   |
| Interest-bearing borrowings  | 8 827 784                                       | 8 052 484                                   | 2 356 684                                       | 3 907 273                                   |
| Deferred payment liability   | 732 250   | -   | 732 250   | -   |
| Derivative instruments   | 72 920  | 118 120                                     | -   | -   |
| Current liabilities  | 4 336 557                                       | 1 469 018                                   | 3 382 928                                       | 766 250                                     |
| Short-term portion of interest-bearing borrowings                                | 3 784 950                                       | 1 223 203                                   | 3 231 988                                       | 670 241                                     |
| Trade and other payables   | 551 607   | 244 347                                     | 150 940   | 96 009                                      |
| Current tax payable  | -   | 1 468                                       | -   | -   |
| Total equity and liabilities   | 25 253 814                                      | 19 101 906                                  | 16 151 322                                      | 13 213 271                                  |
| Loan to value (%)*   | 51.4%   | 50,0%                                       | 32.0%   | 35,0%                                       |
| *Calculated in terms of the REIT Best Practice Recommendations                   |   |   |   |   |
| The loan-to-value ratio equates to net debt divided by the total property assets |   |   |   |   |
| Net debt   | 11 607 514                                      | 9 046 608                                   | 4 771 870                                       | 4 446 158                                   |

|   |             |            |            |            |
|---|-------------|------------|------------|------------|
| Interest bearing borrowings (excluding derivatives) | 12 612 735  | 9 275 687  | 5 588 672  | 4 577 514  |
| Less: cash and cash equivalents                     | (1 005 221) | (229 079)  | (816 802)  | (131 356)  |
| Property assets                                     | 22 593 351  | 18 152 770 | 14 909 218 | 12 767 784 |
| Investment property                                 | 21 282 118  | 16 996 072 | 8 097 097  | 7 747 500  |
| Listed REIT securities                              | -           | -          | 3 264 344  | 2 076 785  |
| Investment property held for sale                   | 1 311 233   | 1 156 698  | 1 023 233  | 997 498    |
| Loans receivable                                    | -           | -          | 2 524 544  | 1 946 001  |

#### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|                                      | Group  |  | Company  |  |
|--------------------------------------|--|--|--|--|
|                                      | Unaudited for the<br>six months ended<br>28 February 2017<br>R'000 | Unaudited for the<br>six months ended<br>29 February 2016<br>R'000 | Unaudited for the<br>six months ended<br>28 February 2017<br>R'000 | Unaudited for the<br>six months ended<br>29 February 2016<br>R'000 |
| Balance at 31 August                 | 9 462 284  | 7 541 124  | 8 539 748  | 6 400 083  |
| Issue of shares                      | 1 198 391  | 243 891  | 1 198 512  | 243 891  |
| Treasury shares (held by subsidiary) | (500)  | (40 371)   | -  | -  |
| Profit for the year                  | 1 063 682  | 1 248 968  | 282 275  | 1 421 855  |
| Dividend paid                        | (340 061)  | (103 424)  | (341 075)  | (103 424)  |
| Foreign currency translation reserve | (243 131)  | 90 436   | -  | -  |
| Non-controlling interest             | 143 638  | 354 748  | -  | -  |
| Balance at 28 February               | 11 284 303   | 9 335 372  | 9 679 460  | 7 962 405  |

#### STATEMENT OF CASH FLOWS

|  | Group  |  | Company  |  |
|--|--|--|--|--|
|  | for the<br>six months ended<br>28 February 2017<br>R'000 | for the<br>six months ended<br>29 February 2016<br>R'000 | for the<br>six months ended<br>28 February 2017<br>R'000 | for the<br>six months ended<br>29 February 2016<br>R'000 |
| R'000Cash flows from operating activities        | (158 546)  | 40 629   | (132 333)  | 88 080   |
| Cash generated from operations                   | 593 613  | 455 961  | 262 887  | 266 434  |
| Dividend paid                                    | (454 786)  | (155 151)  | (341 075)  | (103 114)  |
| Dividend received                                | -  | -  | 117 838  | 85 852   |
| Net finance charges paid                         | (297 373)  | (260 181)  | (171 983)  | (161 092)  |
| Cash outflows from investing activities          | (1 022 355)  | (1 060 681)  | (990 985)  | (794 613)  |
| Capex and tenant installations                   | (58 265)   | (75 253)   | (26 894)   | (44 612)   |
| Acquisition of listed securities and investments | (964 091)  | (990 090)  | (964 091)  | (750 001)  |
| Acquisition of property, plant and equipment     | -  | (338)  | -  | -  |
| Proceeds from disposal of investment property    | -  | 5 000  | -  | -  |
| Cash inflows from financing activities           | 1 969 818  | 1 015 221  | 1 808 764  | 725 239  |
| Proceeds from issue of shares                    | 879 544  | 359 211  | 798 194  | 246 468  |
| Increase in financial liabilities                | 1 090 274  | 656 010  | 1 010 570  | 478 771  |
| Net movement in cash and cash equivalents        | 788 917  | (4 831)  | 685 446  | 18 706   |
| Effect of translation                            | (12 775)   | 49 575   | -  | -  |

|  |           |         |         |        |
|--|-----------|---------|---------|--------|
| Cash and cash equivalents at the beginning of the year | 229 079   | 174 823 | 131 356 | 56 271 |
| Cash and cash equivalents at the end of the year       | 1 005 221 | 219 567 | 816 802 | 74 977 |

## COMMENTARY

### INTRODUCTION

Rebosis is retail-focused real estate investment trust (REIT), with a high quality government-tenanted commercial portfolio.

Rebosis owns very large regional malls in Port Elizabeth (Baywest Mall), East London (Hemingways) and Centurion (Forest Hill City) as well as regional malls in Pretoria (Sunnypark & Bloed Street) and Mdantsane (Mdantsane City).

The group's commercial portfolio includes 42 buildings, most of which are let to national government. These enjoy a sovereign underpin, shielded from political or economic volatility.

Rebosis holds 67,5% in New Frontier Properties which owns the dominant shopping centers in the English towns of Blackpool, Middleborough and Burton-on-Trent.

### FINANCIAL RESULTS

Despite a tough domestic economic environment, we are pleased to announce an exciting set of results. Rebosis has declared a dividend of 60,80 cents per share for the six months ended 28 February 2017. This amounts to a 7,1% growth year-on-year which is within the 7% to 9% guidance expected for the financial year.

The South African portfolio was revalued by independent valuers, LDM Valuation Solutions for the commercial and industrial portfolios and Mills Fitchet for retail. The growth in the portfolio of 40,3% year-on-year to R18,181 billion for the group (excluding New Frontier) is as a result of the acquisitions of Baywest Mall and Forest Hill City shopping centres.

Property expenses have increased year on year with the net cost to income ratio increasing from 13,0% to 15,0%.

### PROPERTY PORTFOLIO

The consolidated property portfolio of Rebosis is illustrated in the following graphs in terms of sectoral and geographical splits.

Our South African retail portfolio consists of six high-quality, dominant shopping malls with strong anchor national tenants delivering income streams escalating at 7,4%. The office portfolio consists of 42 buildings in nodes attractive to government tenants. These buildings are mainly single-tenanted buildings let to the National Department of Public Works, providing for average escalations of 8,2%. The office portfolio represents a defensive sovereign underpin, shielding the group from private sector risks such as tenant insolvency and default which are material risks in the context of sluggish economic growth and constrained consumer spend.

The group's industrial properties are predominantly single-tenanted industrial warehouses with leases escalating at an average of 7,5%.

### FUNDING

At 28 February 2017, Rebosis' group's borrowings increased to R12,6 billion as a result of the acquisition of the two shopping centres and the asset management and the property services businesses. The weighted average net cost of borrowings increased from 7,2% to 7,9% for the period under review - largely due to the additional debt taken out and the higher interest rates. There are currently swap/fixed arrangements in place for 100,0% of the debt.

The loan to value for the company has decreased from 35,0% to 32,0%. For the group it has increased from 50,0% to 51,4% as a result of New Frontier's net asset value falling after the UK's vote to withdraw from the EU.

### ACQUISITIONS

With effect from 1 September 2016, Rebosis acquired 100% of Billion Property Developments (Pty) Ltd ("BPD" which owns Forest Hill City Mall in Centurion), Baywest City Mall (Pty) Ltd ("Baywest" which owns Baywest City Mall in Port Elizabeth), Billion Asset Managers (Pty) Ltd ("BAM", the asset management business) and Billion Property Services (Pty) Ltd ("BPS", the property services business for a total consideration of R4,9 billion. Based on management's judgement, the group has determined that this acquisition was a business combination. The costs of acquisition which have been recognised in the consolidated statement of profit or loss and other comprehensive income amounts to R22,6 million (included in other operating expenses).

The following summarises the amounts of assets acquired and liabilities assumed at the acquisition date:

|                     | Acquiree's<br>carrying amount | Acquiree's<br>carrying amount | Acquiree's<br>carrying amount | Acquiree's<br>carrying amount | Fair value of<br>assets acquired |
|---------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------------|
|                     | BPD                           | Baywest                       | BAM                           | BPS                           | Total                            |
|                     | R                             | R                             | R                             | R                             | R                                |
| Investment property | 2 147 163 495                 | 2 348 745 462                 | -                             | -                             | 4 495 908 957                    |

|   |               |               |             |             |                 |
|---|---------------|---------------|-------------|-------------|-----------------|
| Property, plant and equipment                   | 2 063 953     | 2 967 484     | -           | 479 910     | 5 511 347       |
| Borrowings                                      | -             | (775 843)     | -           | -           | (775 843)       |
| Total identifiable net assets                   | 2 149 227 448 | 2 350 937 103 | -           | 479 910     | 4 500 644 461   |
| Total consideration paid                        | 2 121 945 794 | 2 280 830 056 | 363 215 682 | 211 152 718 | 4 977 144 249   |
| Gain on bargain purchase arising on acquisition | (27 281 654)  | (70 107 047)  | -           | -           | (97 388 701)    |
| Goodwill arising on acquisition                 | -             | -             | 363 215 682 | 210 672 808 | 573 888 489     |
| Total consideration                             |               |               |             |             | 4 977 144 249   |
| Interest-bearing borrowings acquired            |               |               |             |             | (3 711 100 000) |
| Shares issued                                   |               |               |             |             | (533 793 854)   |
| Less: Cash and cash equivalents acquired        |               |               |             |             | -               |
| Deferred payment on acquisition                 |               |               |             |             | 732 250 395     |

The acquired businesses contributed revenues of R188,1 million and profit after tax of R62,3 million to the group for the six months ended 28 February 2017.

The transactions will be accounted for in terms of IFRS 3 Business Combinations and a full purchase price allocation will be performed within twelve months as allowed by this standard. All figures presented are provisional.

#### BASIC AND HEADLINE EARNINGS PER SHARE

|   | Group   |   |
|---|---|---|
|   | for the<br>six months ended<br>28 February 2017 | for the<br>six months ended<br>29 February 2016 |
| Number of shares in issue at period end   | 639 908 002                                     | 516 391 250                                     |
| Weighted average number of shares in issue used for the calculation of earnings and headline earnings per share | 563 345 824                                     | 424 011 545                                     |
| Profit attributable to ordinary equity holders of the parent entity   | 1 063 682                                       | 1 248 968                                       |
| <i>Adjusted for:</i>  |   |   |
| Change in fair value of investment properties   | (766 616)                                       | (1 154 944)                                     |
| Gain on bargain purchase  | (97 389)  | -   |
| Headline profit attributable to shareholders  | 199 677   | 94 024  |
| Basic and diluted earnings per share (cents)  | 188,82  | 294,56  |
| Basic and diluted headline earnings per share (cents)   | 35,44   | 22,17   |

#### SEGMENT REPORT

The group classifies segments based on the type of property i.e. Commercial, Retail, Industrial, and Other. Properties can be mixed use properties. In this instance the property will be classified according to its principle use. Accordingly, the group only has three reporting segments as set out below. Some of the buildings do have a small retail component (normally at street level), but seldom exceed 10% of the total GLA per building.

These operating segments are managed separately based on the nature of the operations. For each of the segments, the group's CEO (the group's chief operating decision-maker) reviews internal management reports monthly. The CEO considers earnings before taxation to be an appropriate measure of each segment's performance.

|   | Property portfolio |         |            |           | Admin and<br>corporate |
|---|--------------------|---------|------------|-----------|------------------------|
| For the six months ended 28 February 2017 | Retail             | Office  | Industrial | Total     | costs                  |
| Total                                     | R000               | R000    | R000       | R000      | R000                   |
| Property portfolio                        | 613 461            | 538 953 | 14 341     | 1 166 755 | -                      |
|   |                    |         |            |           | 1 166 755              |

|                                       |            |           |         |            |            |            |
|---------------------------------------|------------|-----------|---------|------------|------------|------------|
| Investment property income            | 614 027    | 551 625   | 14 629  | 1 180 281  | -          | 1 180 281  |
| Net income from facilities management | -          | 10 347    | -       | 10 347     | -          | 10 347     |
| Straight line rental income accrual   | (566)      | (23 019)  | (288)   | (23 873)   | -          | (23 873)   |
| Property expenses                     | (162 987)  | (133 104) | (1 742) | (297 833)  | -          | (297 833)  |
| Net property income                   | 450 474    | 405 849   | 12 599  | 868 922    | -          | 868 922    |
| Other operating expenses              | -          | -         | -       | -          | (62 351)   | (62 351)   |
| Operating income                      | 450 474    | 405 849   | 12 599  | 868 922    | (62 351)   | 806 571    |
| Net interest                          | -          | -         | -       | -          | (441 958)  | (441 958)  |
| Net operating income                  | 450 474    | 405 849   | 12 599  | 868 922    | (504 309)  | 364 613    |
| Other income                          | 984        | (28)      | 27      | 983        | 2 008      | 2 991      |
| Changes in fair values                | 311 071    | 385 183   | -       | 696 254    | 70 362     | 766 616    |
| Gain on bargain purchase              | -          | -         | -       | -          | 97 389     | 97 389     |
| Loss on sale of listed securities     | -          | -         | -       | -          | (26 705)   | (26 705)   |
| Segment profit before taxation        | 762 529    | 791 004   | 12 626  | 1 566 159  | (361 255)  | 1 204 904  |
| Investment property                   | 12 993 983 | 8 288 135 | -       | 21 282 118 | -          | 21 282 118 |
| Investment property held for sale     | -          | 1 046 233 | 265 000 | 1 311 233  | -          | 1 311 233  |
| Other assets                          | 828 030    | 180 479   | -       | 1 008 509  | 1 651 955  | 2 660 464  |
| Total assets                          | 13 822 013 | 9 454 847 | 265 000 | 23 601 860 | 1 651 953  | 25 253 814 |
| Total liabilities                     | 229 062    | 332 416   | 11 106  | 572 584    | 13 396 927 | 13 969 511 |
| For the six months ended              |            |           |         |            |            |            |
| 29 February 2016                      |            |           |         |            |            |            |
| Property portfolio                    | 404 932    | 422 946   | 15 391  | 843 269    | 9 237      | 852 506    |
| Investment property income            | 411 120    | 421 312   | 13 408  | 845 840    | -          | 845 840    |
| Listed property securities income     | -          | -         | -       | -          | 46         | 46         |
| Net income from facilities management | -          | 10 577    | -       | 10 577     | -          | 10 577     |
| Straight line rental income accrual   | (6 188)    | (8 943)   | 1 983   | (13 148)   | -          | (13 148)   |
| Property expenses                     | (98 695)   | (62 276)  | (1 608) | (162 579)  | -          | (162 579)  |
| Net property income                   | 306 237    | 360 670   | 13 783  | 680 690    | 9 237      | 689 927    |
| Other operating expenses              | -          | -         | -       | -          | (108 217)  | (108 217)  |
| Operating income                      | 306 237    | 360 670   | 13 783  | 680 690    | (98 980)   | 581 710    |
| Net interest                          | -          | -         | -       | -          | (279 210)  | (279 210)  |
| Net operating income                  | 306 237    | 360 670   | 13 783  | 680 690    | (378 190)  | 302 500    |
| Other income                          | 573        | 8         | -       | 581        | 128        | 709        |
| Changes in fair values                | 517 972    | 403 278   | (483)   | 920 767    | 164 231    | 1 084 998  |
| Segment profit before taxation        | 824 782    | 763 956   | 13 300  | 1 602 038  | (213 831)  | 1 388 207  |
| Investment property                   | 9 844 961  | 8 232 200 | 256 00  | 18 333 161 | 18 333 161 | -          |
| Other assets                          | 237 117    | 194 435   | -       | 431 552    | 185 141    | 616 693    |
| Total assets                          | 10 082 078 | 8 426 635 | 256 00  | 18 764 713 | 185 141    | 18 949 854 |
| Total liabilities                     | 16 904     | 30 668    | -       | 47 572     | 9 566 910  | 9 614 511  |

|  |  |  |  |  |           |           |
|--|--|--|--|--|-----------|-----------|
|  |  |  |  |  | 2017      | 2016      |
| Non-IFRS information   |  |  |  |  | R000      | R000      |
| Reconciliation of profit before tax to distributable earnings: |  |  |  |  |           |           |
| Total segment profit before taxation (as per above)            |  |  |  |  | 1 204 904 | 1 388 207 |
| Taxation   |  |  |  |  | 1 452     | (6 511)   |
| Profit for the year  |  |  |  |  | 1 206 356 | 1 381 696 |

|  |           |             |
|--|-----------|-------------|
| Less: Portion attributable to non-controlling interests                  | (142 674) | (132 728)   |
| Adjusted for:  |           |             |
| Changes in fair value  | (699 140) | (1 085 966) |
| Gain on bargain purchase   | (97 389)  | -           |
| Straight line rental accrual   | 23 873    | 13 148      |
| Amortisation of structuring fees   | 1 683     | 5 562       |
| Corporate transaction costs  | 22 644    | 58 645      |
| Antecedent interest  | 53 051    | -           |
| Loss on sale of listed securities  | 26 705    | -           |
| Dividend income distributed in previous periods                          | (117 838) | (67 651)    |
| Anticipated distribution from listed REIT subsidiaries                   | 115 444   | 124 480     |
| Consolidation adjustments between group entities:                        | (3 630)   | (3 918)     |
| Distributable earnings attributable to shareholders/owners of the parent | 389 085   | 293 268     |
| Dividend per share (cents)   | 60.80     | 56.79       |
| Year-on-year distribution growth (%)                                     | 7,06      | 8,26        |

\* *In terms of the South African REIT Association Best Practice Recommendations, Rebosis has become entitled at period-end to the anticipated distributions of its listed REIT subsidiaries. Accordingly an adjustment is made at period-end to match the anticipated income of the distribution with the period to which the distribution relates.*

# *Net of treasury shares of 2 618 326 (2016: 1 778 146).*

#### SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability to exercise control or significant influence over the party making financial or operational decisions. Related parties with whom the Group transacted with during the period were:

|   | 2017   | 2016   |
|---|--------|--------|
|   | R000   | R000   |
| Related party transactions                  |        |        |
| Billion Asset Managers (Pty) Ltd            |        |        |
| <i>Asset management fees paid</i>           | -      | 16 473 |
| Billion Property Services (Pty) Ltd         |        |        |
| <i>Property management fee paid</i>         | -      | 13 828 |
| Billion Group (Pty) Ltd                     |        |        |
| <i>Rental warranty income</i>               | 16 844 | -      |
| Related party balances                      |        |        |
| Billion Group (Pty) Ltd                     |        |        |
| <i>Included in trade and other payables</i> | 87 588 | -      |

#### PAYMENT OF DIVIDEND

Dividend number 13 of 60,80334 cents per share for the six months ended 28 February 2017 will be paid to the shareholders in accordance with the abbreviated timetable set out below:

|   | 2017              |
|---|-------------------|
| Last day to trade <i>(cum dividend)</i> | Tuesday, 16 May   |
| Securities trade <i>(ex dividend)</i>   | Wednesday, 17 May |
| Record date                             | Friday, 19 May    |
| Payment date                            | Monday, 22 May    |



Share certificates may not be dematerialised or rematerialised between Wednesday, 17 May 2017 and Friday, 19 May 2017, both days inclusive. The dividend will be transferred to dematerialised shareholders' CSDP/broker accounts on Monday, 22 May 2017. Certificated shareholders' dividend payments will be posted on or paid to certificated shareholders' bank accounts on or about, Monday, 22 May 2017. An announcement informing shareholders of the tax treatment of the dividends will be released separately on SENS.

#### BASIS OF PREPARATION

The unaudited results for the six months ended 28 February 2017 have not been reviewed or reported on by the company's independent auditors, Grant Thornton Johannesburg Partnership. These results have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34, Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, JSE Listings Requirements and the requirements of the Companies Act of South Africa.

All amendments to standards that are applicable to Rebosis for its financial year beginning 1 September 2016 have been considered. Based on management's assessment, the amendments do not have a material impact on the group's condensed consolidated interim financial statements.

The accounting policies are consistent with those applied in the previous consolidated annual financial statements. These financial results have been prepared under the supervision of the Chief Financial Officer, M de Lange, CA(SA).

The directors are not aware of any matters or circumstances arising subsequent to 28 February 2017 that require any additional disclosure or adjustment to the financial statements, other than as disclosed in this announcement.

On 8 February 2017, Mr. F Froneman and Mr. M Mdlolo were appointed as independent non-executive directors and Mr. A Mazwai formerly an independent non-executive director was appointed as the Chief Operating Officer (an executive director) to the board. On 1 March 2017, Ms. M de Lange was appointed as the Chief Financial Officer (an executive director) and on 31 March Mr. K Keshav resigned as the Chief Financial Officer.

COMPANY SECRETARY:

M Ndema

REGISTERED OFFICE:

3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191  
PO Box 2972, Northriding, 2162

DIRECTORS:

ATM Mokgokong\*† (Chairperson), SM Ngebulana (CEO), M de Lange (CFO), AM Mazwai (COO),  
WJ Odendaal\*†, NV Qangule\*\, TSM Seopa\*†, M Mdlolo\*†, F Froneman\*†  
\*Non-executive † Independent

TRANSFER SECRETARIES:

Computershare Investor Services Proprietary Limited

SPONSOR:

Java Capital

#### PROSPECTS

The Rebosis Board is of the view that the dividend per share will grow by between 7% and 9% for the full year to 31 August 2017. This expectation rests on the following assumptions:

- Performance on contractual rental income
- Renewals of leases at market rates
- Savings from the internalisation of the management businesses
- Earnings from New Frontier to be flat year-on-year (in Pound Sterling)
- The muted growth in domestic retail sales and no further material deterioration of the economic environment
- No default by the state or national retailers

This forecast is issued by the Board, and has not been reviewed or reported on by the company's auditors.

Rebosis uses distribution per share as the key measure of financial performance for trading statement purposes.

*By order of the Board*

24 April 2017

