

REDEFINE PROPERTIES LIMITED

GROUP INTERIM RESULTS

for the six months ended 28 February **2018**



We're not landlords. We're people.

Our conversation

Section **01** STRATEGY AND KEY OUTCOMES

Section **02** PROPERTY ASSET PLATFORM

Section **03** FINANCIAL REVIEW

Section **04** WRAP UP

STRATEGY AND KEY OUTCOMES

Section **01**

Who we are

We create sustained value by placing people at the heart of what we do

Our vision is to be the **best SA REIT**

Our mission is to create **sustained value** for all our stakeholders

Our primary goal is to **grow and improve cash flow**

It's not about what we do – it is a matter of **being different** at what we do



Strategy

Without a sense of purpose we cannot realise our full potential

- We are opportunistic and invest where we believe the **best market opportunities lie**
- Our focus is on **real estate and related investments** – not a particular sector
- Our **strategy** is aligned to **long-term trends** and is tweaked for opportunities and risks
- We continue to actively **manage the variables** we can control
- We uphold Redefine's **values**
- We **maintain alignment** throughout the business
- We have deepened our **unique approach to relationships**
- We will continue to **protect, expand and improve** existing well-located local properties, mostly through development activity
- Our secondary assets are **recycled** to contain the LTV ratio
- **Poland** is a market that holds great promise for **growth** through acquisition, development and extensions
- Purpose-built student accommodation in Australia poses **expansion opportunities**
- We **leverage off** our holding in RDI REIT PLC and support them in corporate activities






Strategic focus

Applying integrated thinking - to prosper over time all stakeholders must benefit

Strategic matter	Strategic challenge	Strategic response
 Operate efficiently	Finding the best possible way to harness the resources at our disposal	Continue to drive innovation to ensure that our cost base remains proportionate to our revenue growth. Ensure business processes remain relevant in an ever-changing environment
 Invest strategically	Deploying our capital selectively to create benefit for our stakeholders	Sustain our NAV growth through active asset management and carefully considered capital allocation
 Optimise capital	Ensuring optimal funding to bolster total returns and ensure sustained and predictable growth	Contain our LTV ratio through recycling assets, funding local acquisitions with equity and conservative balance sheet management
 Engage talent	Fostering an engaged workforce to deliver to their best potential to achieve our vision to be the best in all aspects of what we do	Encourage a culture of innovation and deepen levels of accountability
 Grow reputation	Creating sustained value for all our stakeholders built on enduring trust	Adopt renewed vigour to stakeholder engagement a key challenge for everyone at Redefine

Key outcomes

Relentlessly focusing on what matters most to deliver sustained value

	Operate efficiently	Operating margin maintained at 82.7%	Renewable energy generates 3.6% of electricity use	Overall occupancy improved to 95.8%	Tenant retention above 80% at 94.7%	Water control devices at all Cape properties
	Invest strategically	Local developments in progress total R5.9 billion	Property assets expanded by R1.5 billion to R85.6 billion	Concluded sale of Cromwell and Northpoint	Expansion in Poland and student accommodation in Australia	Disposed International Hotel Properties to RDI
	Optimise capital	LTV lowered to 40.1%	Recycling of capital realised R2.6 billion	Cost of debt funding reduced to 6.9%	Accessed DCM at competitive margins	Moody's credit rating improved
	Engage talent	47 learners enrolled for 2018 programme. Retained 50% of 2017 learners	Staff engagement remains high	Reviewing succession model	Entrenched alignment to brand promise	Certified as a Top Employer 2018
	Grow reputation	Gold SAFMA award for Solar PV implementation	90% support for Remuneration policy	Level 4 BBBEE contributor status	We're serious about ethics	Key focus to deepen stakeholder engagement

Our greatest asset

Our people personify Redefine

Highlights

456 people employed directly

Transformation remains high on agenda

An **ethical culture** driven by values

6 738 man hours spent on training

Our game plan for our people



heads up **hearts in** hands on

Heads up : Is about knowledge: strategy, objectives and goals

Hearts in : Is about our employees' passion: our values and how we behave

Hands on : Is a strong call to action: it's in our employees' hands



ESG highlights

Protecting the mandate to operate from stakeholders



Environment

Total installed solar PV capacity now **11 697kWp**

43 Green Star SA certifications

ILASA Environmental sensitivity award at the Towers



Social

Deepen community engagement - pilot project at Isipingo Junction

Understanding “disruption” to ensure relevance

Silver award in sponsorship category at the PRISMs for **“The Mentorship Challenge”** with Marc Wainer”



Governance

Reputation management extended to all relationships

Integrated approach to risk management and commercial decisions

Continued focus on **Board diversity** and composition

PROPERTY ASSET PLATFORM

Section **02**



Priorities for 2018

Renewed focus on organic growth and remaining relevant

- Tenant **retention** is top-of-mind, as well as **reducing vacancies** and extending lease expiry profile
- Continue to **improve, expand and protect** our domestic properties in order to **attract and retain quality tenants**
- **Maintain** and **implement** a long-term strategy per asset
- Identify **innovative** non-GLA income **opportunities**
- Maintain operating margins and **optimise energy, water usage and recoveries** in our existing buildings
- **Increased** focus on tenant and broker **relationship management**
- Facilities and **utility management** interventions to further **improve operational sustainability**
- Focus on **growth in renewal** rentals
- **Non-core assets** (secondary properties, Africa and non-core listed securities) to be **recycled**
- Expand **foreign income** and **capital growth** opportunities at low risk

Redefine's diversified property asset platform

Capital is allocated to ensure highest and best use to sustain value creation

Portfolio valued at R85.6 billion

Direct local property portfolio

Property portfolio	100.0%	R64.6bn
Retail		R26.7bn
Office		R23.9bn
Industrial		R12.7bn
Specialised		R1.3bn
Loans receivable	100.0%	R2.9bn
Respublica	53.6%	R1.2bn
		R68.7bn

■ Carried at fair value
■ Equity accounted

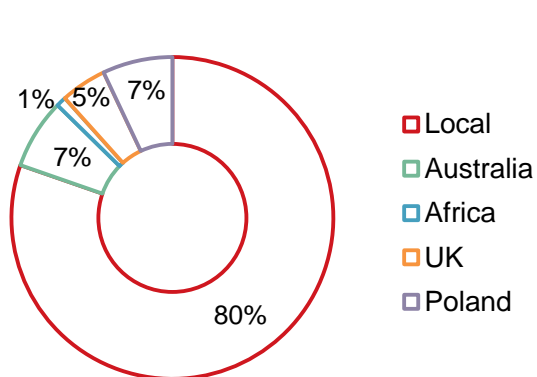
Direct international properties

Cromwell Partners Trust (Northpoint)	50.0%	R1.4bn
Chariot Top Group B.V.	25.0%	R0.8bn
Journal Student Accommodation Fund	90.0%	R0.8bn
Oando Wings Development Limited	39.5%	R0.5bn
		R3.5bn

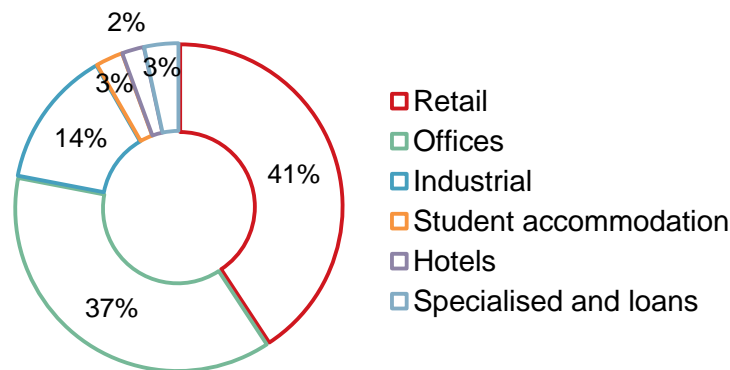
International listed securities

Echo Polska Properties N.V.	36.2%	R5.0bn
Cromwell Property Group	22.5%	R4.3bn
RDI REIT Plc (RDI)	29.4%	R3.9bn
GRIT Real Estate Income Group	6.3%	R0.2bn
		R13.4bn

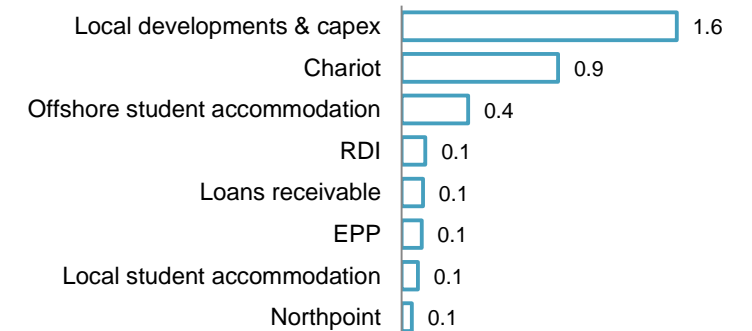
GEOGRAPHIC SPREAD BY VALUE



GROUP ASSETS BY SECTOR



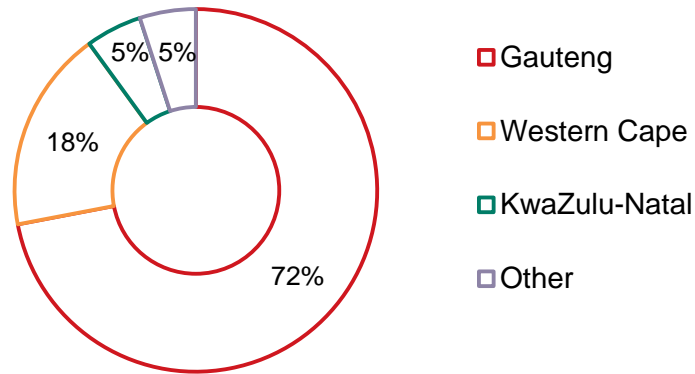
CAPITAL DEPLOYED R3.4 BILLION



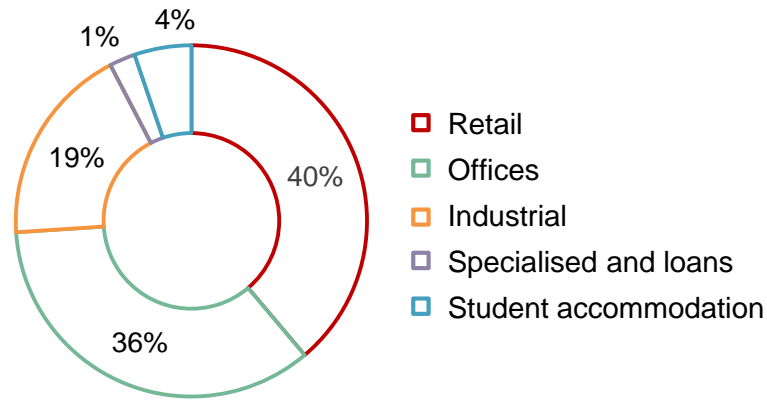
Local property portfolio

A well-located, high value, high quality, and efficient portfolio

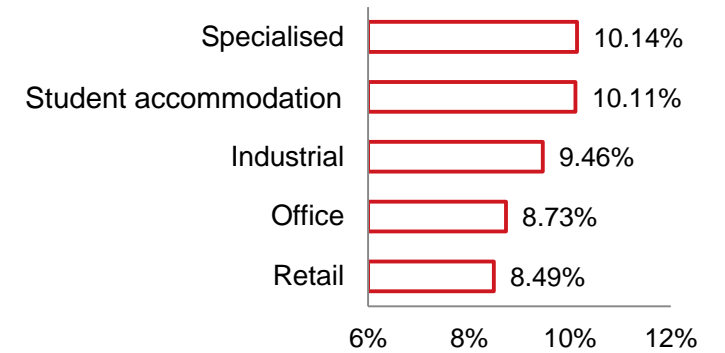
GEOGRAPHIC SPREAD BY VALUE



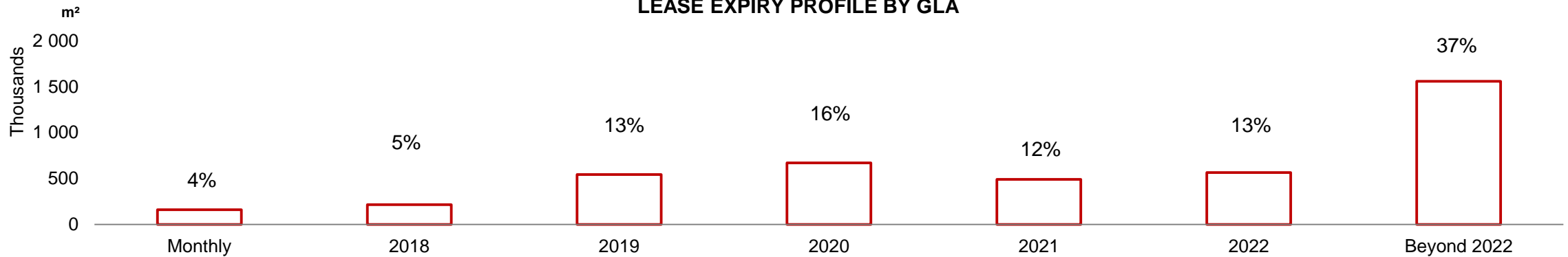
ASSET SPLIT



EXIT CAP RATE BY SECTOR



LEASE EXPIRY PROFILE BY GLA



Retail portfolio

The battle for market share is intensifying

Value R26.7bn (2017 R26.4bn)	GLA 1.4 million m² (2017 1.4 m ²)	Active vacancy 4.4% (2017 3.3%)	Renewal rental growth 2.9% (2017 2.0%)
Tenant retention by GLA 95.0% (2017 93.6%)	Trading density growth 3.5% (2017 0.4%)	Footfall growth 1.5% (2017 -0.1%)	Rent to turnover 9.5% (2017 9.3%)

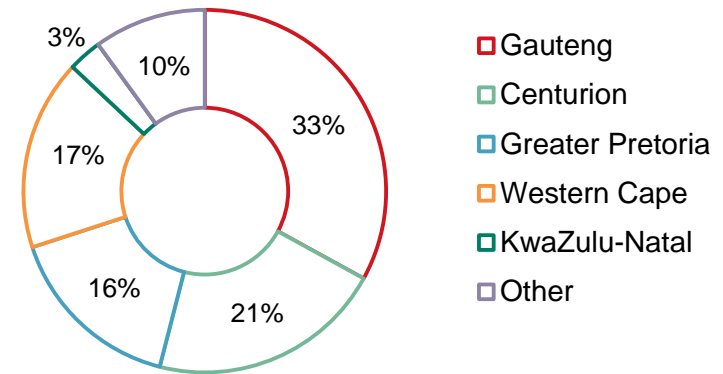
Key trends

- Vacancy rates increasing
- Positive trading density growth
- Significant push back on lease terms
- Community/small regional centres outperforming larger retail
- Push back against parking costs

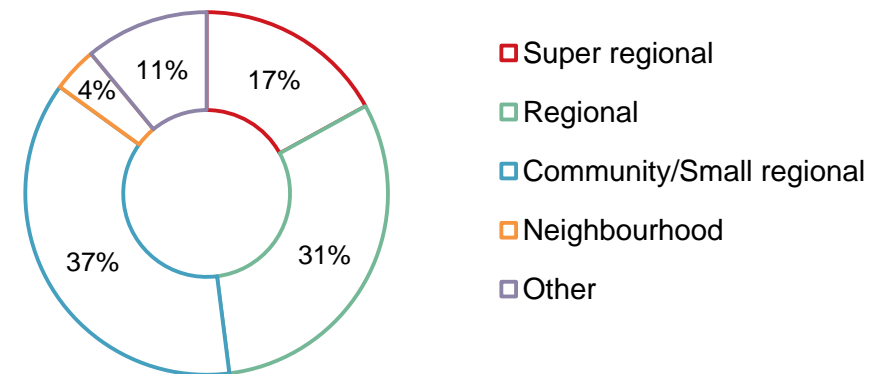
Focus areas

- Optimise space and tenant mix
- Defined brand identity and specific marketing initiatives
- Retailer support through difficult trading environment
- Manage the exposure to Edcon
- Introduction of international retailers: Leroy Merlin & Decathlon
- Differentiate by focusing on day-to-day management

NODE BY VALUE



TYPE BY VALUE



Retail asset optimisation initiatives

Differentiating by creating outstanding places for modern consumer lifestyles

Expanding



Stoneridge Centre

Current GLA 51 523m²
Expanding 19 000m² for Leroy Merlin and Papachino's
First Leroy Merlin in SA

Original cost R492m
Development spend R233m
Current value R850m
Value add R125m

Protecting



Park Meadows

Current GLA 27 603m²
Developing Builders Express 1 952m²
New retailers added/upgraded include Clicks, Rochester and UFO

Original cost R258m
Development spend R82m
Current value R495m
Value add R155m

Improving



Centurion Mall

Refurbishment/redevelopment increasing GLA to 130 000m². Majority completed by November 2018 with final completion April 2019
Improved offering of national retailers, introduction of H&M. Enhanced food court and restaurant offering.
Original cost R3.5bn
Development spend R776m
Current value R4.5bn
Value add R182m

Office portfolio

Market conditions dictated by over supply

Value R23.9bn (2017 R23.9bn)	GLA 1.3 million m² (2017 1.4 m ²)	Active vacancy 8.1% (2017 8.1%)
Renewal rental growth -3.8%* (2017 0.1%)	Tenant retention by GLA 92.4% (2017 87.1%)	Vacancy of P & A Grade 8.3% (2017 4.3%)

* Renewal rental growth excluding Murray & Roberts 4%

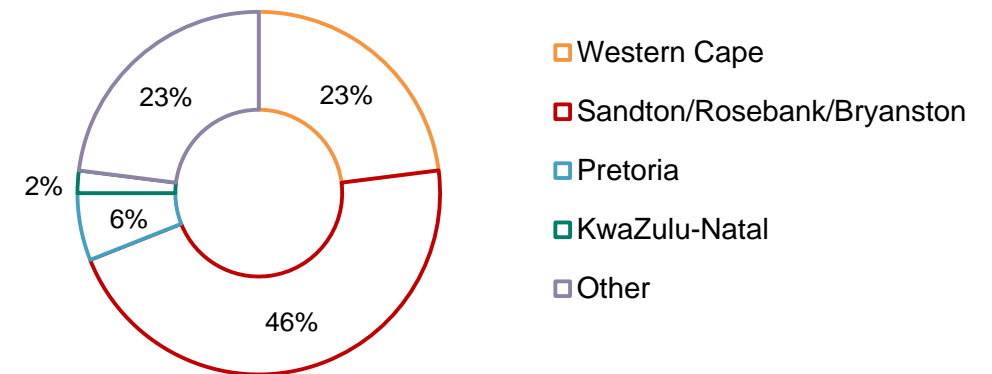
Key trends

- Accessibility to public transport and amenities
- Move to open plan offices and space efficiency/reduction
- Flexibility of lease structures (break clauses)
- Stagnant rental growth
- Push back on tenant installation contributions

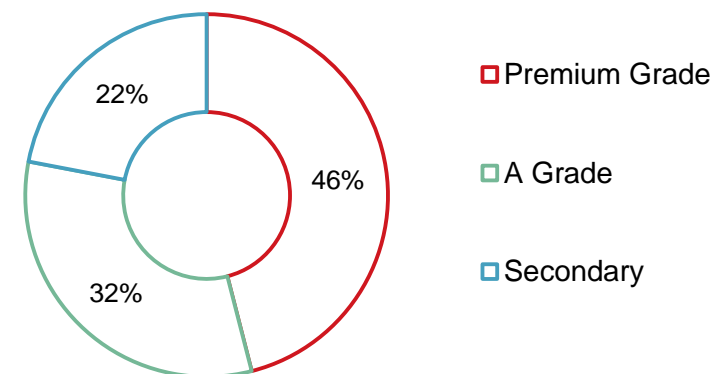
Focus areas

- Development leasing
- Relationships with tenant representatives
- West Street and Fredman Drive (Sandton) vacancies
- Developing co-working options

NODE BY VALUE



GRADE BY VALUE



Office asset optimisation initiatives

Enabling work/life integration

Expanding



Loftus Park

50% ownership

A Grade mixed use development

4-Star Green SA rating

55,000m² of office, retail, hotel and medical facilities

Phase 1 - GLA 27 500m² officially opened 3 May

94% of retail let GLA 7 400m²

Cost R960m, projected completion yield 8,2%

Protecting



155 West Street

Refurbishment (mainly façade) to be completed end November 2018 at a cost of R133m

26 000m² A Grade, well-located

Large floor plates, high parking ratio and central location

Improving



Rosebank Link

20,000m² Premium Grade development

Situated in the heart of Rosebank, unique location immediately adjacent to the Gautrain Station and amenities

Completion end October 2018

Cost R712m

Yield 8.7%

Pre-let 3 000m² with good initial demand

Industrial portfolio

Pressure on rental growth – but defensive

Value R12.7bn (2017 R12.5bn)	GLA 1.8 million m² (2017 2.0m ²)	Active vacancy 2.7% (2017 3.3%)
Renewal rental growth 4.2% (2017 5.6%)	Tenant retention by GLA 95.9% (2017 95.2%)	Developable bulk 1.3 million m²

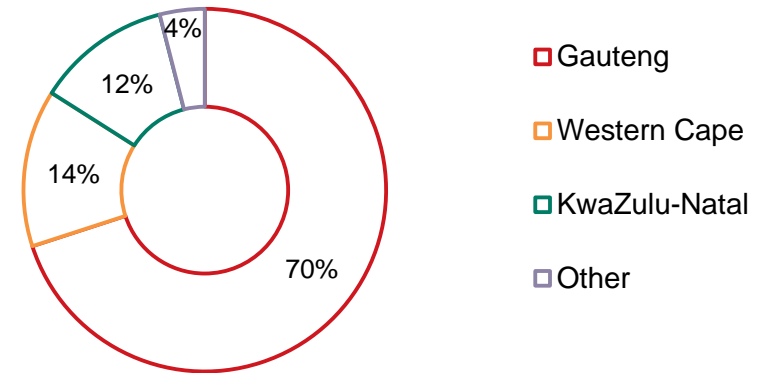
Key trends

- Tenant consolidation of space is driving nodal occupation
- Stagnant rental growth
- Pressure on development yields
- Owner development driving sales
- Deteriorating public service infrastructure maintenance

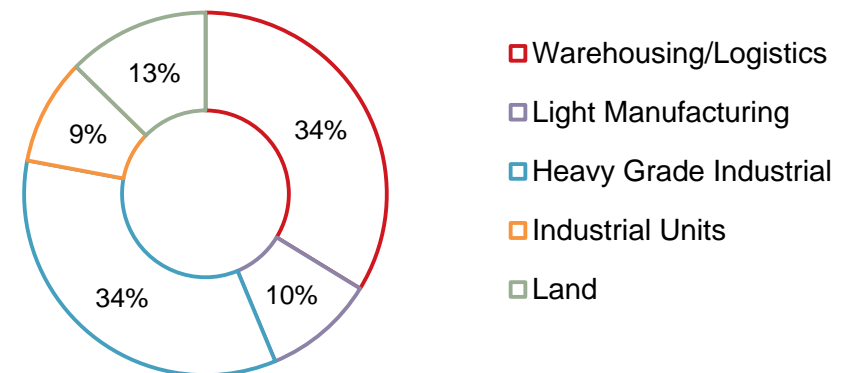
Focus areas

- Unlock development pipeline
- Leasing 34 Wrench Road
- Redeveloping existing well-located assets

NODE BY VALUE



TYPE BY VALUE



Industrial regional expansion

Location, functionality and efficiency key in cost sensitive market

Western Cape



Brackengate2 (R300 motorway)

50.1% ownership

Completed developments:

Plumblink 11 922m² (25% ownership)

GEA warehouse 8 588m²

Under construction: 3 403m²

Under lease negotiation: 8 200m²

Atlantic Hills (N7 freeway)

55% ownership

Developable land 448 662m²

Infrastructure development for Phase 1 is 95% complete

Concluded sales 130 814m² (Phase 1 & 30% of Phase 2)

Phase 3 will be proclaimed after completion of new Potsdam Rd extension

Gauteng



S&J Industrial Estate (N3 Highway)

90% ownership

Total land area: 1 599 503m²

Developable bulk: 959 702m²

Primary focus is to develop 226 296m² and sell the balance of the precinct

Proclamation of Phase 1 expected Q2: 2018

Phase 1 planned spec development of 20 000m² in Q2:2019

Committed sales to date 118 350m²

KwaZulu-Natal



Times Media Print Park, Cornubia

100% ownership

Phase 1 – c.30 000m² lease commencement Q4:2018

Phase 2 – c.15 000m² lease commencement Q3:2019

Project value R563m

Yield 8.5%

Cornubia available bulk – c. 33 216m², sale and lease driven negotiations in progress

Alternative asset classes

Diversifying income streams

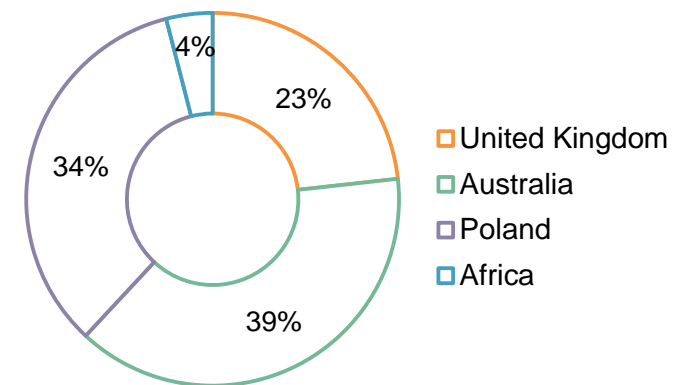
	Student accommodation	Loans	High yielding
Redefine's interests	<ul style="list-style-type: none"> → Republica (RDF share 53.6%) → Current bed capacity 6 541 	<ul style="list-style-type: none"> → Loans of R2.9 billion to various third parties attracting commercial interest rates 	<ul style="list-style-type: none"> → Solar PV plants → Various outdoor advertising signs → Park Central residential development
Operational activity	<ul style="list-style-type: none"> → Completion of Lincoln House in Bloemfontein (469 beds) → Developments totaling 2 530 beds underway include: <ul style="list-style-type: none"> • Yale Village – 192 beds • Paton House (Pmb) – 535 beds • Roscommon House (CT) – 550 beds • Hatfield Square – 1 253 beds 	<ul style="list-style-type: none"> → Loan to BEE consortium for Delta disposal valued at the lower of loan balance outstanding or market value of Delta shares – recognised fair value loss of R248m during the period 	<ul style="list-style-type: none"> → Solar PV of R162m rolled out → Non GLA income R26m – active portfolio growth of 11.2% → Park Central comprising 160 residential units - spent R63m, R409m to complete – 39% sold
Redefine's strategy	<ul style="list-style-type: none"> → Conversion of suitably located secondary assets → Build current bed capacity to 10 000 beds by 2019 	<ul style="list-style-type: none"> → Provide loan funding to secure strategic partners and provide transformation opportunities 	<ul style="list-style-type: none"> → Leverage off property base → Non reliance on tenants → Complete Park Central project

International portfolio

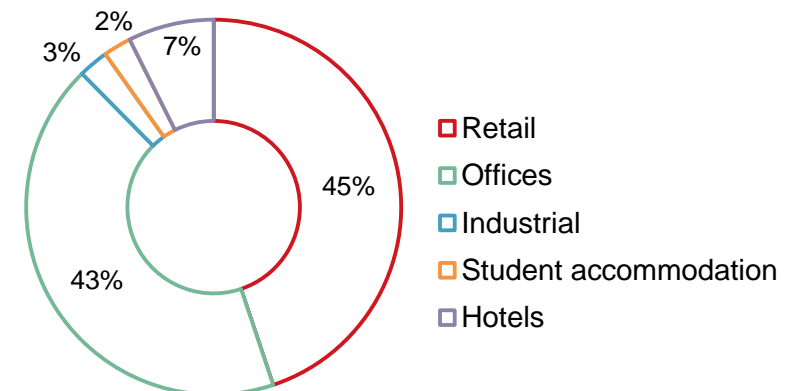
Geographic diversification in hard currency markets

Carrying value	SPLIT	
	Listed securities	Direct properties
R16.9bn	R13.4bn	R3.5bn
Proportional share of assets	Proportional share of debt*	Redefine see through LTV**
R29.6bn	R25.5bn	49.3%

GEOGRAPHIC SPREAD BY VALUE



SECTORAL SPREAD



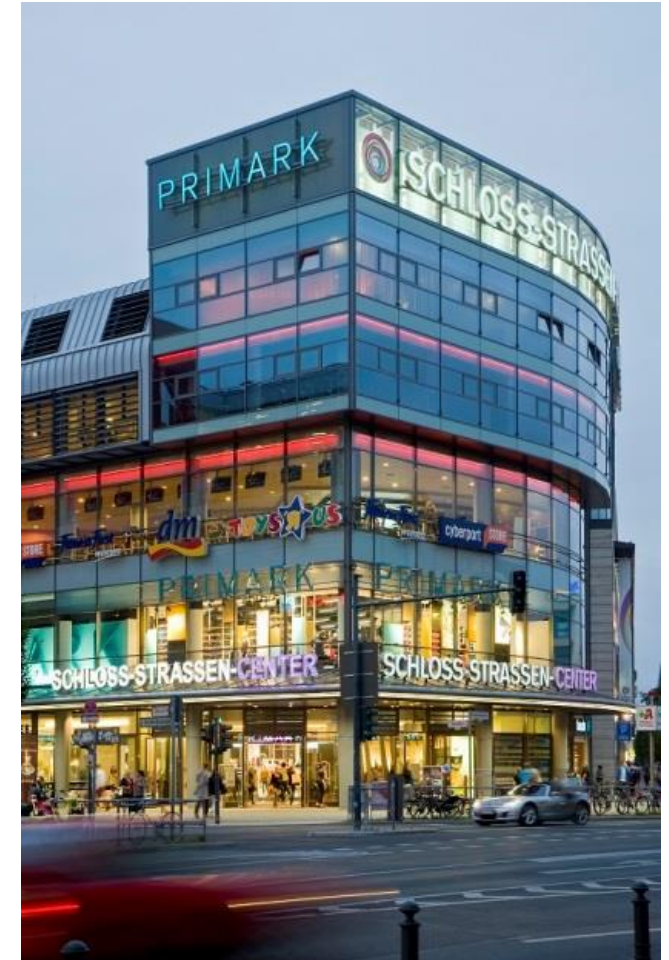
*Including Redefine's foreign borrowings

**Including local assets and borrowings net of cash

United Kingdom

Focusing on income in a low growth environment

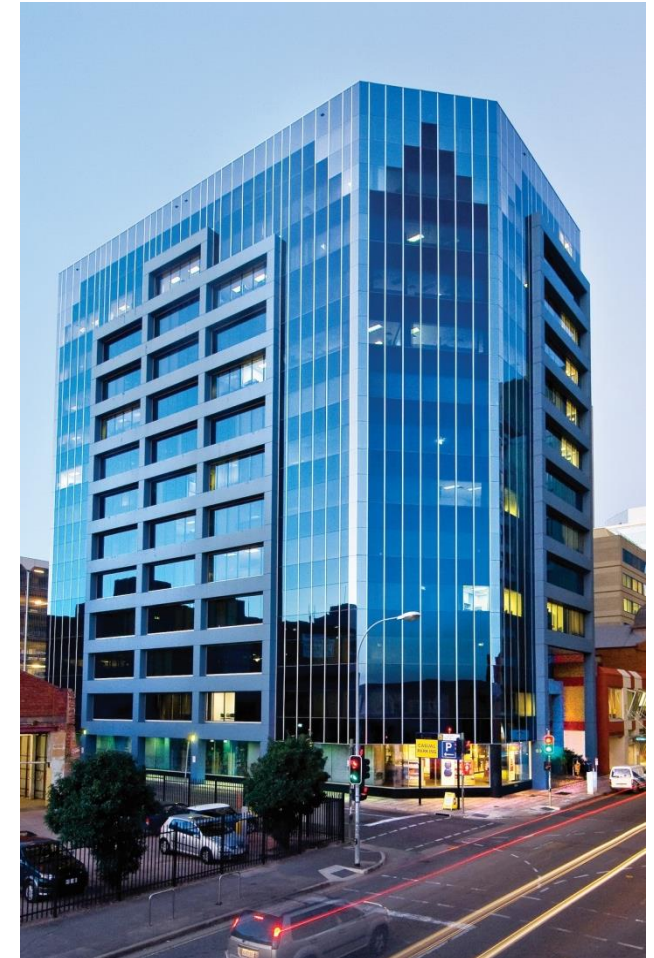
Redefine's interests	→ RDI REIT PLC 29.4%
Platform profile	→ RDI directly owns a £1.6 billion portfolio, 15% of which is invested in German retail properties
Redefine's share of direct assets	→ R7.6 billion
See through LTV	→ 95.2%
Redefine activity	<ul style="list-style-type: none"> → Concluded disposal of entire International Hotel Properties stake to RDI → Optimised offshore funding by increasing leverage on RDI holding
Distributable income hedging position	<ul style="list-style-type: none"> → 2018 : £7.5m @ R19.28 → 2019 : £7.5m @ R20.39 → 2020 : £5.0m @ R22.28
Redefine's strategy	→ Support corporate activities to secure growth through expansion of portfolio and recycling secondary assets



Australia

Exposure to stable market

Redefine's interests	<ul style="list-style-type: none"> → Cromwell Property Group 22.5% → Northpoint joint venture 50% → Journal Student Accommodation Fund 90%
Platform profile	<ul style="list-style-type: none"> → Cromwell has a direct property investment portfolio in Australia valued at A\$2.5 billion and total assets under management of A\$11.2 billion across Australia, New Zealand and Europe → Northpoint owns a landmark building in North Sydney: 44 levels of mixed office, hotel and retail space → Journal owns two PBSA development sites in Melbourne
Redefine's share of direct assets	<ul style="list-style-type: none"> → R9.9 billion
See through LTV	<ul style="list-style-type: none"> → 62.6%
Redefine activity	<ul style="list-style-type: none"> → Concluded sale of: <ul style="list-style-type: none"> • 386.5million Cromwell shares at A\$1.05 per share – unlevered IRR 9.4% • Equity interest in Northpoint for A\$180 million – unlevered IRR 16.2% → Both transactions subject to FIRB approval → Net proceeds after settling CGT amounting A\$528 million expected late May
Distributable income hedging position	<ul style="list-style-type: none"> → 2018 : A\$15.0m @ R11.93 → 2019 : - → 2020 : -
Redefine's strategy	<ul style="list-style-type: none"> → Expand the PBSA operation into a scalable operation (currently 1 454 beds) – Leicester Street development with 804 beds to be ready for 2019 intake



Poland

Emerging market growth in hard currency

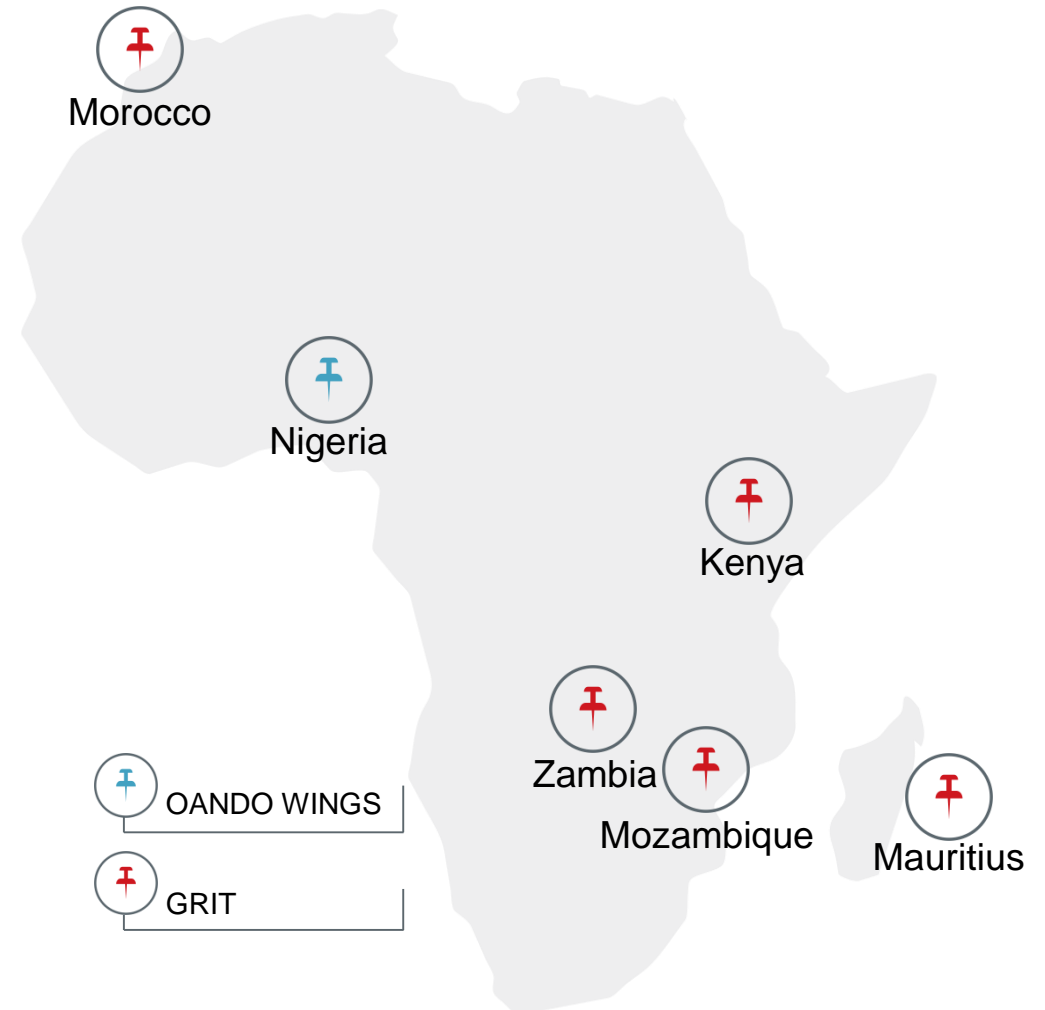
Redefine's interests	<ul style="list-style-type: none"> → EPP 36.2% → Chariot Top Group B.V. 25.0%
Platform profile	<ul style="list-style-type: none"> → 86.6% exposed to retail, 13.4% offices
Redefine's share of direct assets	<ul style="list-style-type: none"> → R10.9 billion
See through LTV	<ul style="list-style-type: none"> → 100%
Redefine activity	<ul style="list-style-type: none"> → Undertaking provided to EPP to support an equity raise of €37.5 million (as the office proceeds were recycled into M1) to fund potential new acquisition → Provided investor relations support to EPP, when the share price collapsed during December on the back of the detention of a non-executive director for alleged corruption, in his personal capacity, involving a politician → The Metro portfolio transaction, through Chariot Top Group, became unconditional in late November and closed on 4 January 2018
Distributable income hedging position	<ul style="list-style-type: none"> → 2018 : €24.8m @ R17.00 → 2019 : €9.0m @ R18.68 → 2020 : €9.0m @ R20.26
Redefine's strategy	<ul style="list-style-type: none"> → Support EPP to become a pure retail play → Expand presence through acquisition, development and extensions



Africa

Non-core holding

Redefine's interests	<ul style="list-style-type: none"> → GRIT 6.3% → Oando Wings 39.5%
Platform profile	<ul style="list-style-type: none"> → GRIT operates in 5 African countries → Oando Wings owns two office towers in Lagos with a GLA of 27 000 m2
Redefine's share of direct assets	→ R1.2 billion
See through LTV	→ 84.3%
Redefine's strategy	<ul style="list-style-type: none"> → As the region does not fit Redefine's investment strategy, both investments pose recycle opportunities → Discussions continue



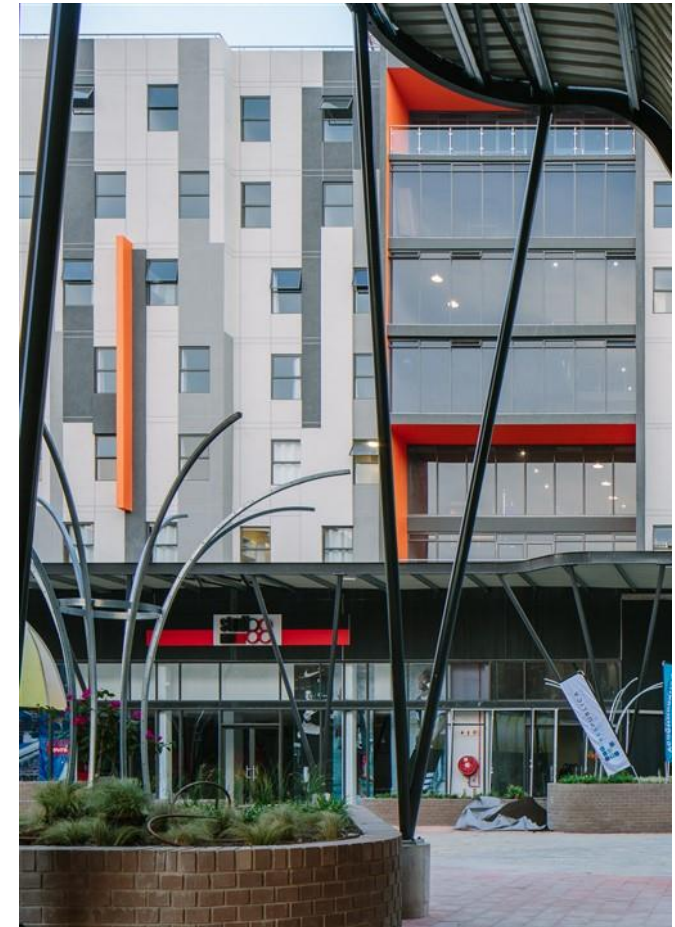
FINANCIAL REVIEW

Section 03

Priorities for 2018

How we manage and utilise financial capital is fundamental to our ability to create sustained value

- Reduce **LTV** to at or **below 40%**
- Manage **cash resources**
- Optimise **gearing** of **international investments**
- Contain **working capital**
- Deliver strong **credit metrics**
- Extend **funding maturity profiles**
- Broaden quality-rated **funding sources**
- Improve **liquidity**



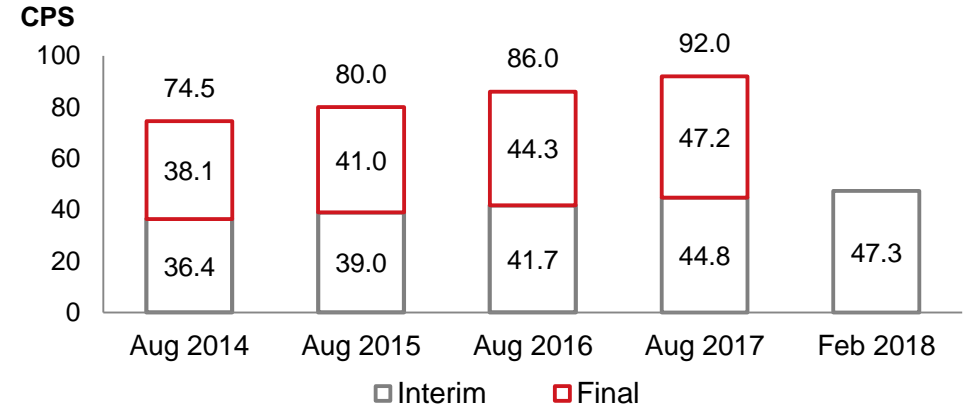
Financial highlights

Sustaining growth in a challenging operating environment

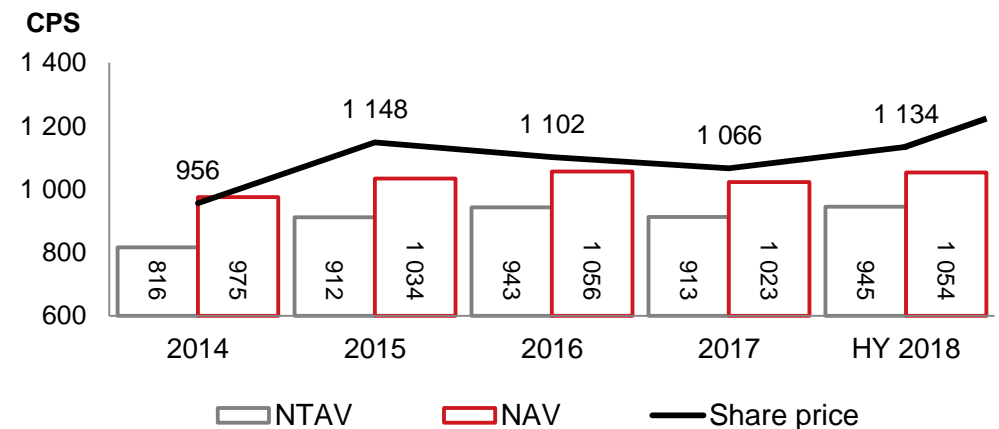


First half distribution growth 5.5% to 47.3 cents	Distributable income has grown 8.6% to R2.5bn	Core portfolio net operating income growth 5.1%
International income contribution 25.3%	Net asset value grown by 31.0 cents to R10.54	Total assets now R93.4bn up R1.9bn
Sound credit metrics maintained	84.5% of total debt hedged	Market capitalisation R66.8bn

DISTRIBUTION PER SHARE GROWTH



NET ASSET VALUE PER SHARE GROWTH



Simplified distributable income statement

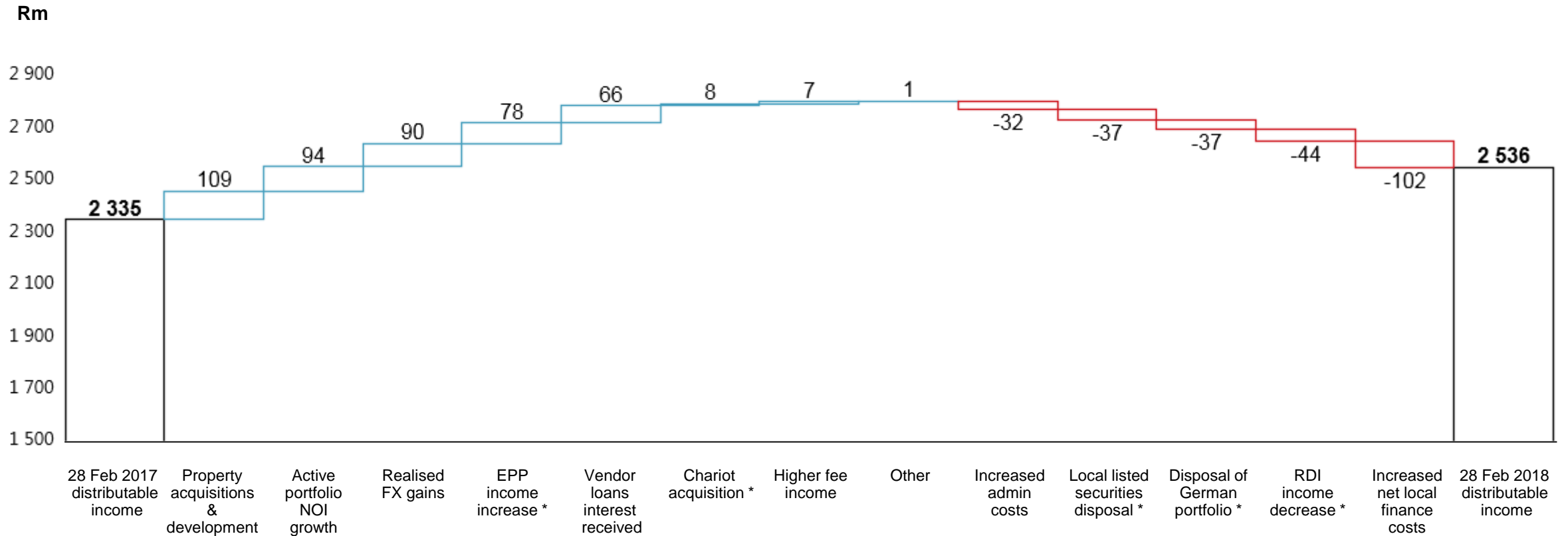
Managing the variables under our control

	2018 Rm	2017 Rm	Change %
Net operating income from investment properties	2 532	2 433	4.1%
Listed securities portfolio	-	128	-100.0%
Sundry income	19	12	58.3%
Total revenue	2 551	2 573	-0.9%
Administration costs	(113)	(81)	39.5%
Net operating profit	2 438	2 492	-2.2%
Net finance charges	(542)	(686)	-21.0%
South African distributable income	1 896	1 806	5.0%
International distributable income	640	529	21.0%
Distributable income	2 536	2 335	8.6%

	Distributable income Rm	Cents per Share	Y-O-Y Change %
2017 H1 distributable income	2 335	44.8	
Less 2017 non-recurring income	(117)	(2.2)	
2017 H1 recurring distributable income	2 218	42.6	
Less dilution arising from new shares	-	(1.2)	
Recurring income growth	202	3.8	
2018 H1 recurring distributable income	2 420	45.1	6.0%
Add 2018 non-recurring income	116	2.2	
2018 H1 distributable income	2 536	47.3	5.5%

Contributors to growth in distributable income

A diversified portfolio at work



*Net of finance costs / interest received on proceeds

Active portfolio income analysis

Solid growth in a highly competitive leasing environment

	2018 Rm	2017 Rm	Change %
Active portfolio revenue*	2 341	2 220	5.5%
Active portfolio costs**	(407)	(380)	7.1%
Property income from active property portfolio	1 934	1 840	5.1%
Net operating income from acquired/development properties	497	390	27.4%
Net operating income from disposed properties	101	203	-50.2%
Net operating income from investment properties	2 532	2 433	4.1%
Active portfolio margin %	82.7%	82.9%	

* Properties owned for 12 months in both years

** Net of recoveries

ACTIVE PORTFOLIO NOI CONTRIBUTION



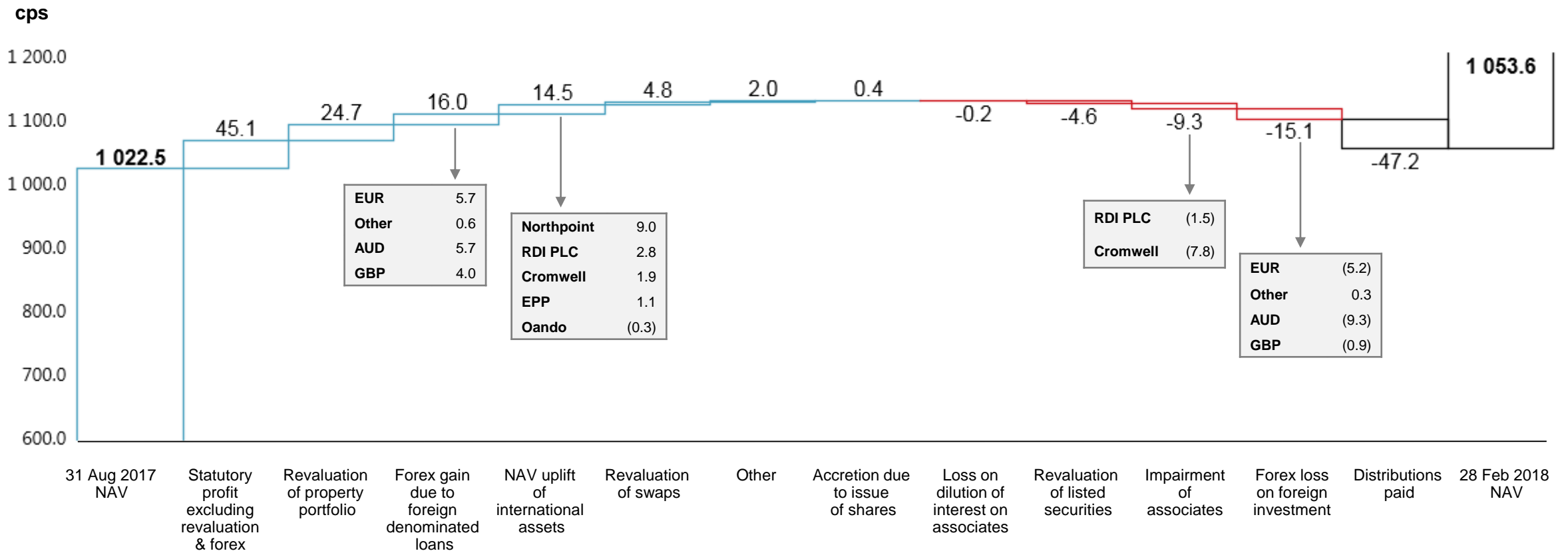
Office

Retail

Industrial

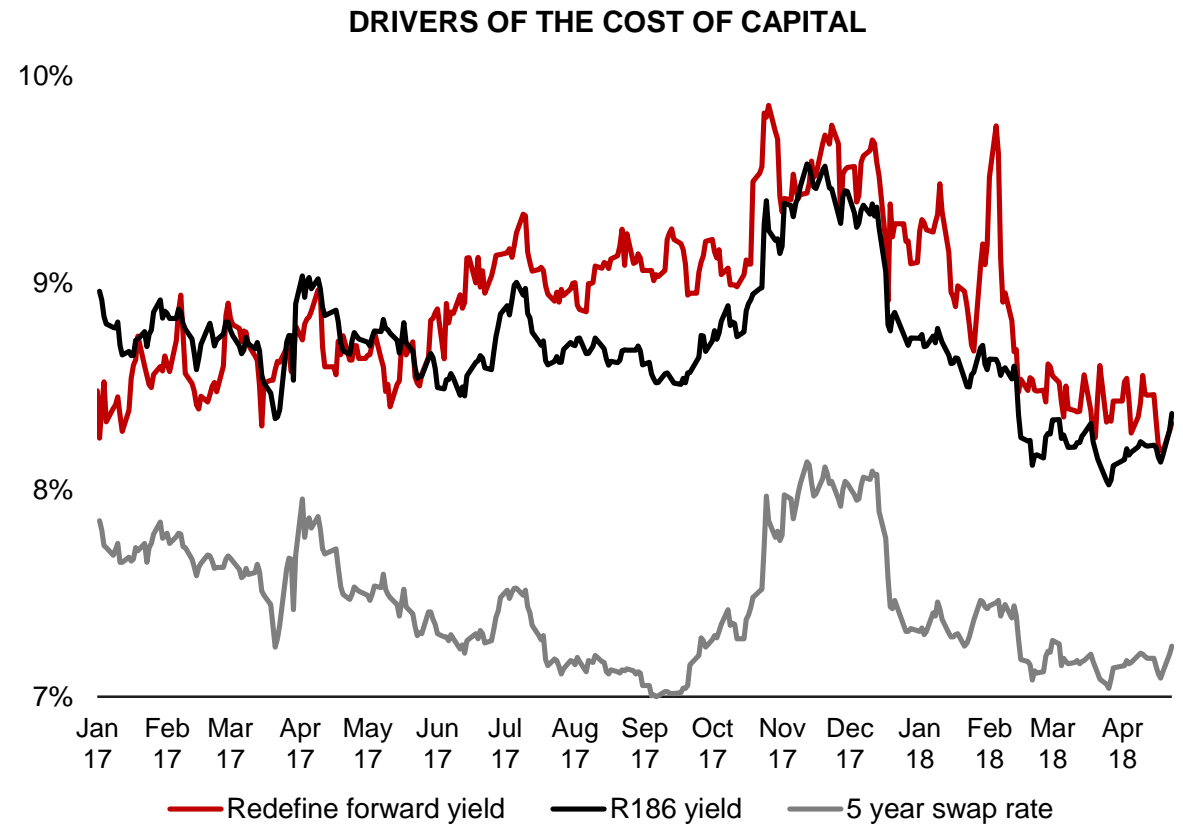
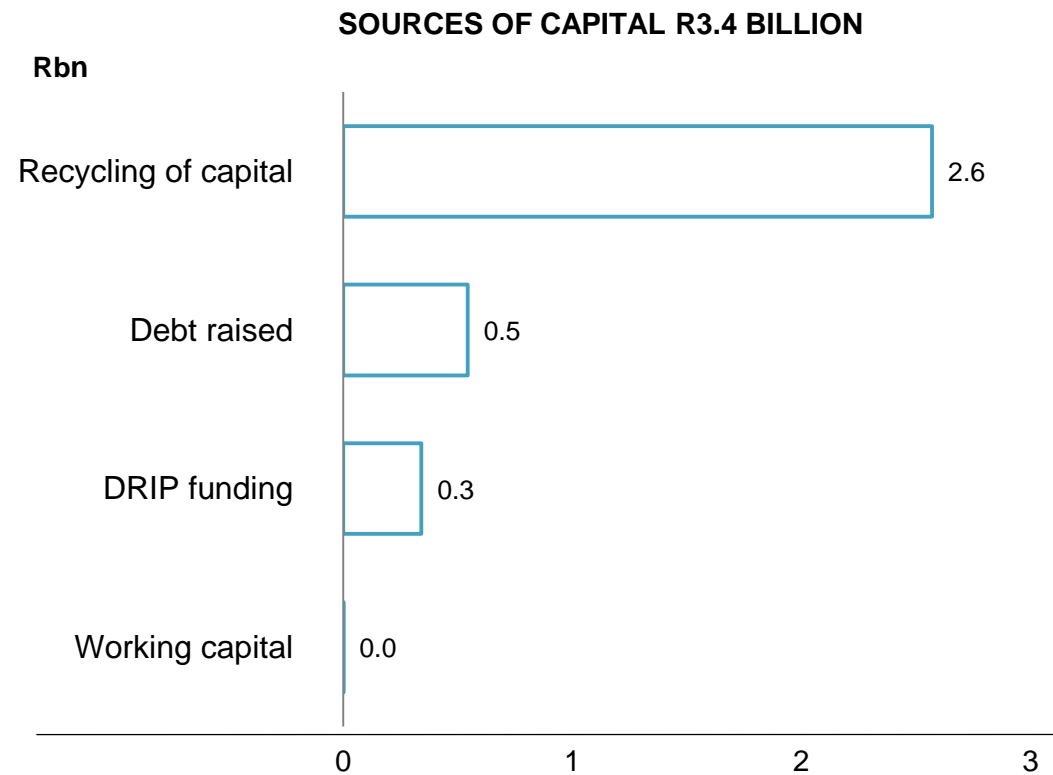
Key drivers of growth in net asset value per share

A diversified portfolio capable of absorbing risks to provide sustained growth



Accessing capital

Securing capital in a constrained environment



Currency analysis of property assets and borrowings

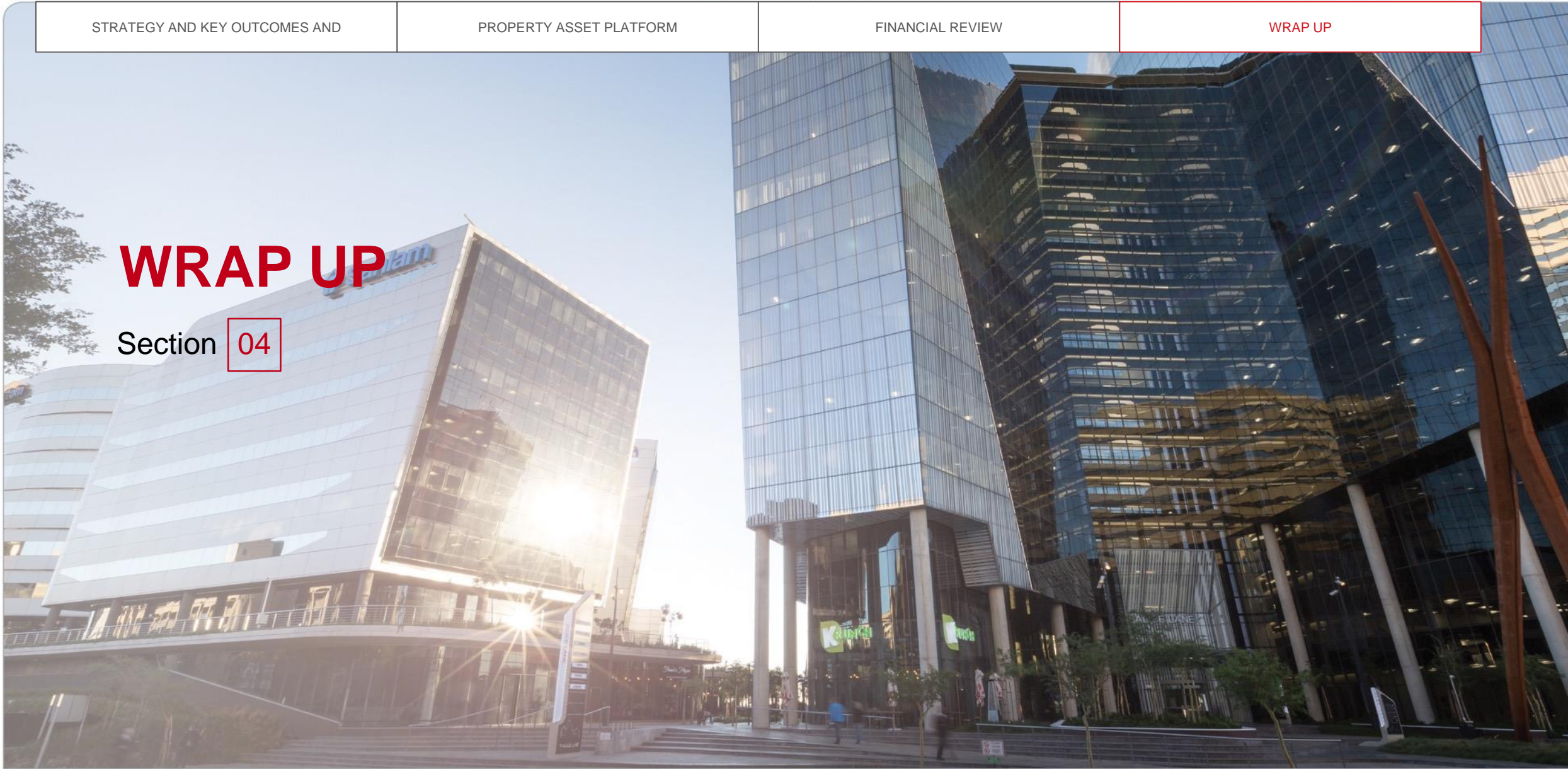
Conservative local LTV to counterbalance aggressive offshore LTV

Currency	February 2018				August 2017			
	Property assets Rbn	Debt* Rbn	LTV %	Weighted avg cost %	Property assets Rbn	Debt* Rbn	LTV %	Weighted avg cost %
Net ZAR*	68.6	22.7	33.0%	9.0%	68.1	23.5	34.5%	9.1%
AUD	6.5	2.5	37.9%	4.2%	6.2	2.8	45.2%	4.2%
EUR	5.7	5.1	89.7%	1.6%	4.8	4.7	97.9%	1.6%
GBP	4.0	3.6	90.8%	2.9%	4.2	3.1	73.8%	2.8%
USD	0.8	0.5	56.3%	4.1%	0.8	0.5	62.5%	3.8%
Total	85.6	34.4	40.1%	6.9%	84.1	34.6	41.1%	7.3%

* Net of cash and currency derivative deposits

WRAP UP

Section **04**



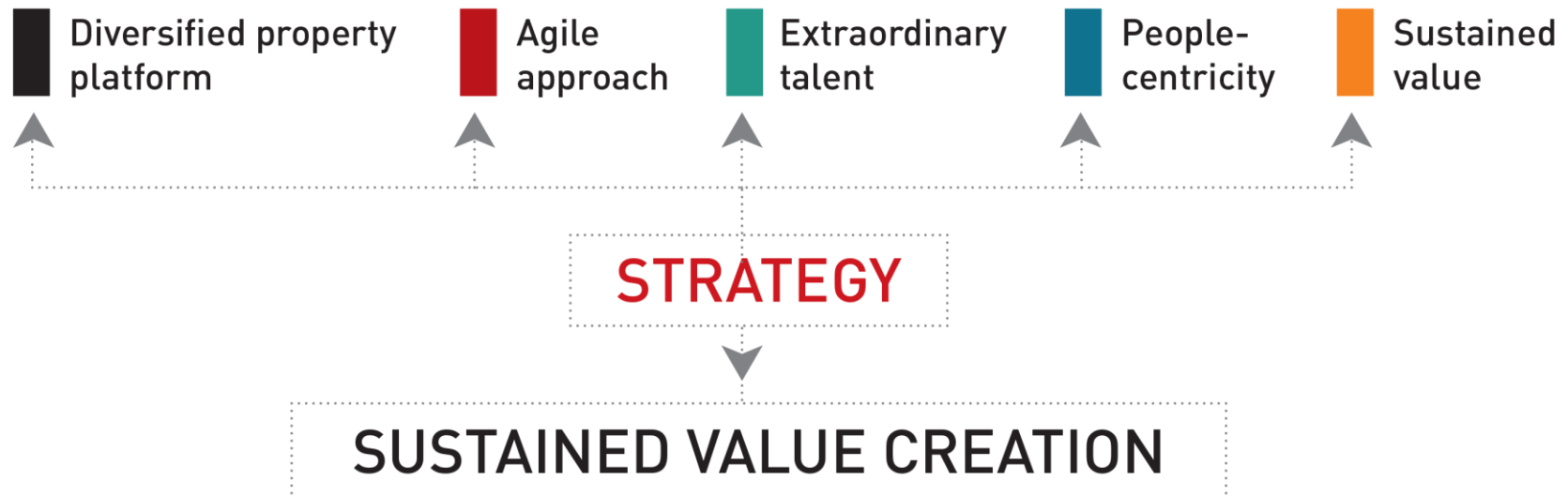
Our investor value proposition

A highly liquid entry point to gain exposure to local and offshore real estate markets

Our promise

We know that **top investors see great strategy** beyond the brick and mortar
They see it **in our results** through an astute, investor-driven strategy
A strategy that informs our value proposition for our investors

What we offer



Key take outs

A renewed focus on sustained organic growth

- Interventions introduced by President Ramaphosa to propel the economic growth rate are welcomed
- Domestic trading conditions continue to remain very challenging, which requires a tireless emphasis on
 - tenant retention through a deepened tenant engagement strategy
 - maintaining operating margins by optimising cost management and maximising recoveries
 - improving occupancy through innovative lease offers
 - optimising energy and water use in our buildings through implementation of sustainability interventions
 - generating new sustainable revenue streams through non GLA income
- Interest rate and currency volatility mitigated through our interest rate and foreign income hedging strategies
- Phasing out non-recurring income with sustainable recurring income streams is a strategic priority

Outlook

Recent events set the scene for an optimistic 2018 and beyond

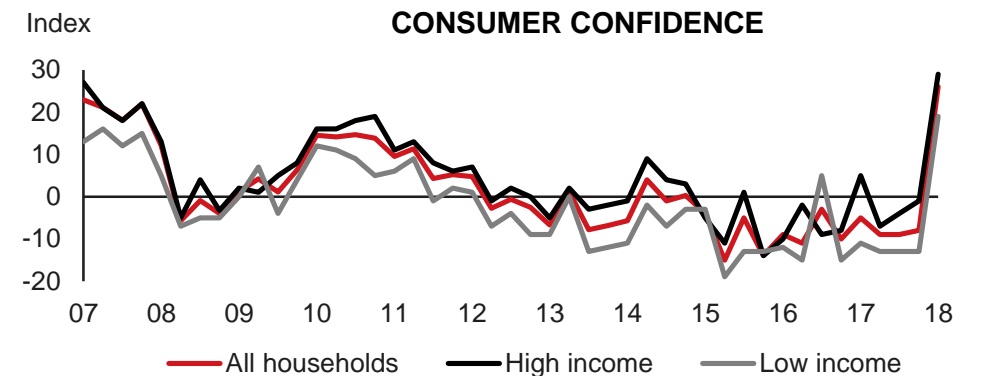
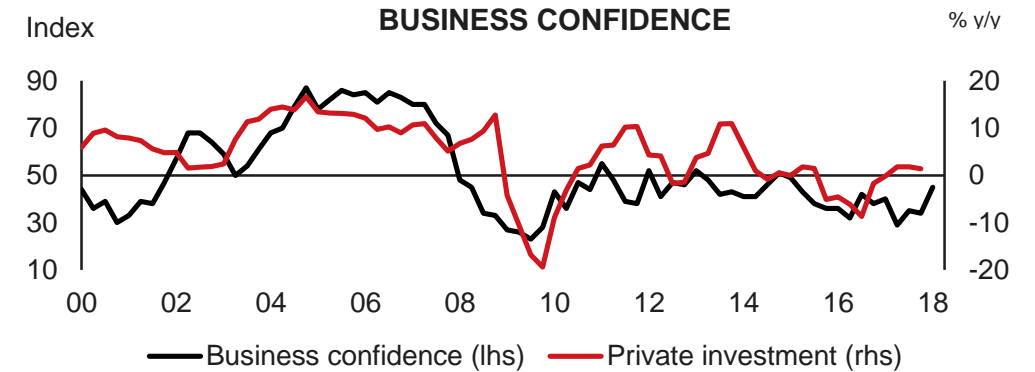
In summary

- Our strategic approach is appropriate for the environment in which we operating
- We remain focused on what matters most to:



Prospects

- 2018 distribution per share for the full year to grow in line with first half

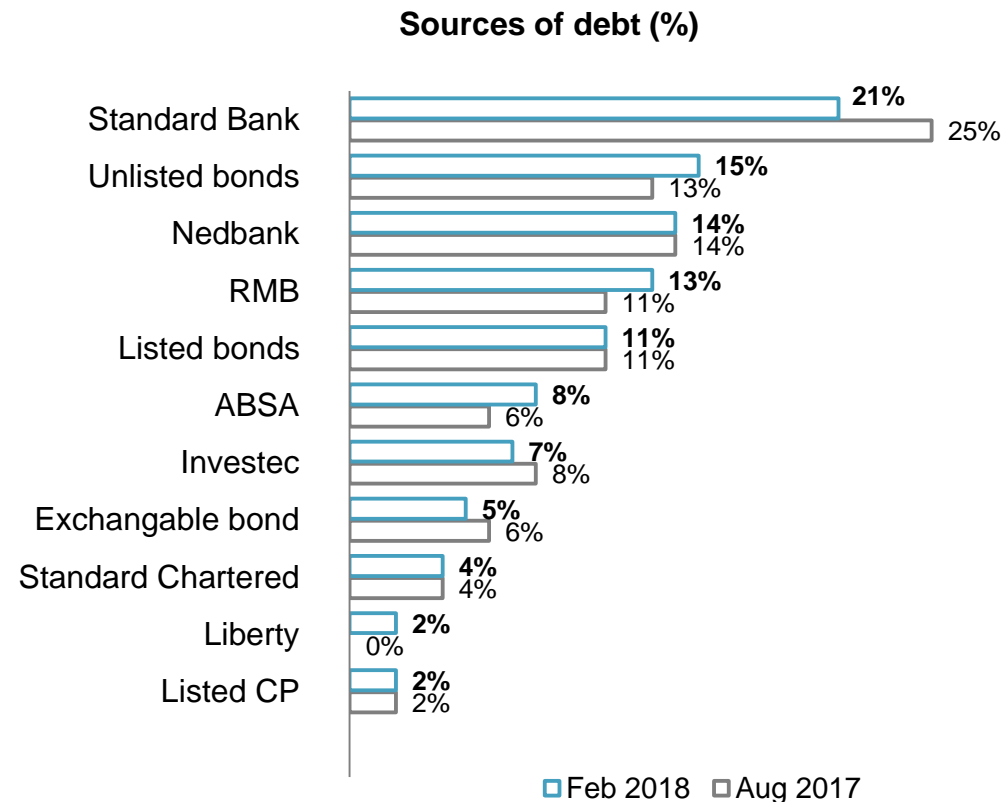


SUPPLEMENTARY INFORMATION



Funding profile

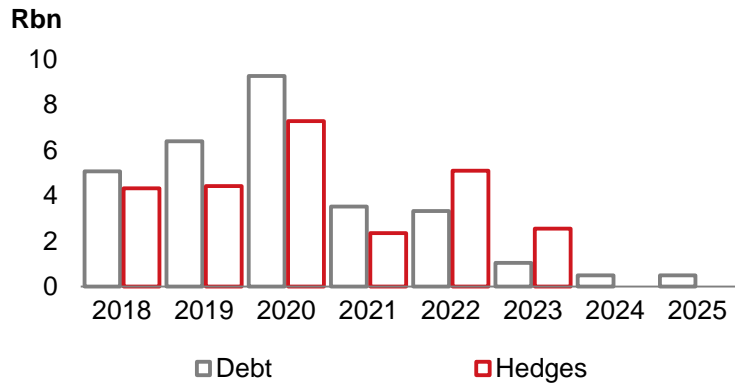
Funding snapshot	Feb 2018 Rbn	Aug 2017 Rbn
Bank borrowings	27.2	27.1
Debt capital markets	5.4	5.4
Foreign listed bond	2.1	2.3
Total debt	34.7	34.8
Loan to value ratio	40.1%	41.2%
Average term of debt	2.2 years	2.5 years
% of debt secured	70.7%	68.0%
% of assets secured	63.3%	62.6%
Weighted average cost of ZAR debt	9.0%	9.1%
Weighted average cost of FX debt	2.7%	2.7%
Weighted average cost of total debt	6.9%	7.3%
% of ZAR debt hedged	87.9%	93.0%
% of FX debt hedged	75.8%	78.7%
% of total debt hedged	84.5%	88.9%
Average term of hedges	2.5 years	2.7 years
Interest cover ratio	4.0	3.6



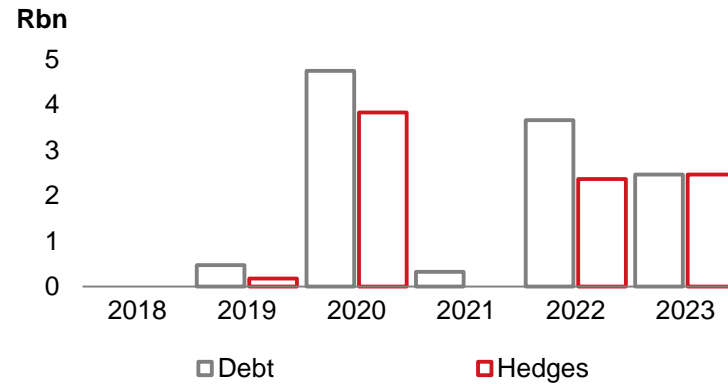
Moody's credit rating was upgraded to stable during March 2018. Global scale rating Baa3 and national scale rating Aa1.za

Debt funding profile

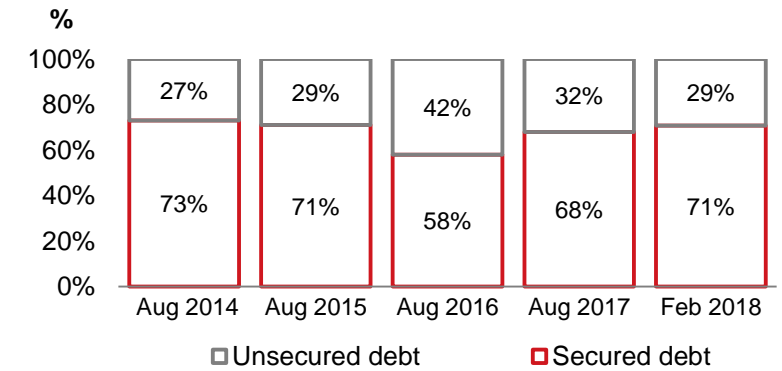
MATURITY OF SOUTH AFRICAN DEBT



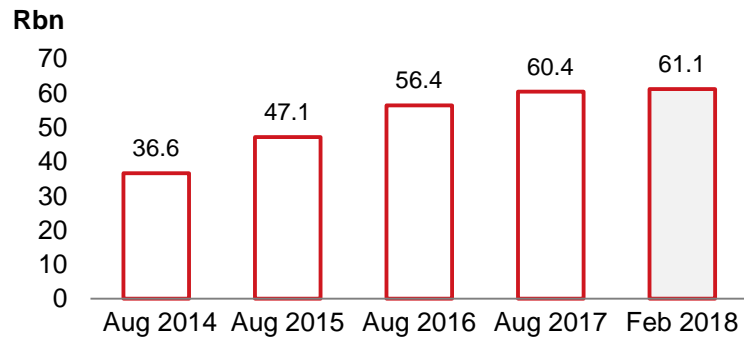
MATURITY OF FOREIGN DEBT



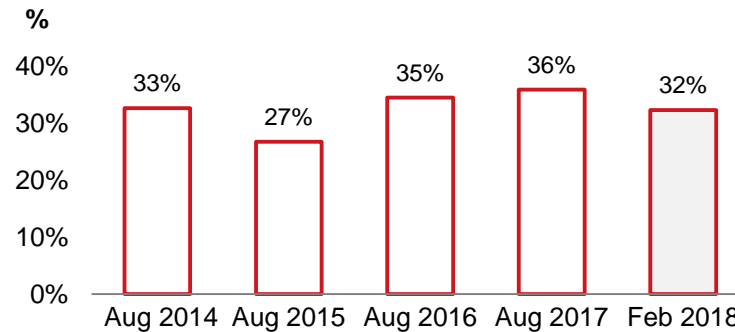
SECURED AND UNSECURED DEBT



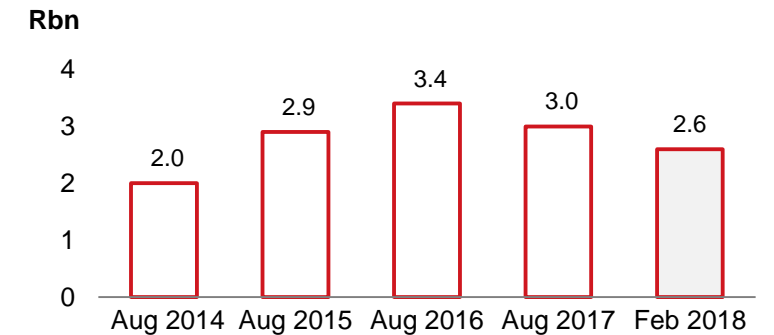
EQUITY HEADROOM FOR THE UNSECURED LENDER



UNSECURED DEBT / UNENCUMBERED ASSETS



UNDRAWN COMMITTED FACILITIES



Active portfolio expenditure analysis

	2018 Rm	Change %
Half Year ended 28 February 2017	380	
Net municipal costs benefiting from improved recoveries and successful valuation objections	(7)	-9.1%
Net electricity recoveries improved through focus on renewable energy	(9)	26.3%
Operating costs increases across the portfolio in line with contractual obligations	7	5.0%
Repairs and maintenance across the portfolio with improved re-instatement recoveries	(5)	-10.8%
TI costs are deal driven	2	10.7%
Letting commission are deal driven	2	19.2%
Management fees are based on rental collections	(1)	-4.3%
Bad debts provided for on specific tenants	12	251.9%
Property admin costs increased as a result of enlarged workforce and re-location	26	27.3%
Half Year ended 28 February 2018	408	7.3%

International income analysis

	HY18 Rm	HY17 Rm
Echo Polska Properties N.V.	278	199
Cromwell Property Group	194	198
RDI REIT PLC	137	150
Realised foreign exchange gain	90	-
Pivotal - Mara Delta & Wings	57	23
CPT - Northpoint	42	37
Chariot	10	-
International Hotel Group	1	7
Other	(6)	(2)
German & Spanish portfolio	-	59
Total foreign income	803	671
USD funding cost	(11)	(3)
GBP funding costs	(49)	(25)
EUR funding cost	(44)	(51)
AUD funding cost	(59)	(63)
Total foreign funding cost	(163)	(142)
Total net foreign income	640	529

Analysis of non-recurring income

	2018 Rm	2017 Rm
Realised foreign exchange gain	90	-
Lease cancellation	26	-
Pivotal pre-acquisition income	-	58
EPP capital raising underwrite fee	-	21
Oando Wings pre-acquisition interest income	-	20
GRIT dividend income	-	18
Total	116	117

Reconciliation of property assets

	Rm
Aug 2017 property asset platform	84 148
Deployment of capital	3 456
Disposals	(2 628)
Impairments	(494)
Fair value adjustments	1 010
Foreign exchange adjustments	(807)
Net equity accounted profit	974
Other	(16)
Feb 2018 property asset platform	85 643

Reconciliation of cash generated from operating activities to total distributable income

Net cash inflow from operating activities (as per statement of cash flows)	2 426 894
Item included in cash inflow from operating activities, but not related to distributable income	
Working capital changes	(103 529)
Non-cash flow items included in distributable income	54 084
Amortisation of tenant installations and letting commission	(36 269)
Depreciation on PPE	(10 489)
Realised foreign exchange gain	89 871
Share incentive schemes difference between accrual and payment	10 971
Adjustment to distributable income, not included in IFRS statement of profit and loss	57 169
Ma Afrika - difference between interest accrued and distribution received	7 201
Antecedent distribution on shares issued during the period	27 170
Delta - difference between interest accrued and distribution received	15 328
Dipula - credit enhancing fee	7 470
Timing differences	111 302
Equity-accounted investment (net of tax) - difference between dividend received and dividend accrued	95 114
Listed investment (GRIT) - difference between dividend received and dividend accrued	8 680
Interest income, accrued not yet received	53 608
Interest expense, accrued not yet paid	(46 100)
NCI portion of distributable income	(9 835)
Distributable income	2 536 085

Active portfolio revenue growth

	Office	Retail	Industrial	Specialised	Total
Active portfolio average rental escalation	7.7%	7.1%	7.6%	7.1%	7.4%
Renewals plus new lets net of expiries	-3.1%	-2.0%	0.7%	1.8%	-1.7%
Growth in rental income	4.6%	5.1%	8.3%	8.9%	5.6%
Growth in other income	0.8%	-0.1%	-2.1%	0.0%	-0.2%
Growth in 2018 active portfolio revenue	5.4%	5.0%	6.2%	8.9%	5.5%
Vacancy August 2017	12.1%	6.3%	6.3%	0.0%	8.0%
Vacancy February 2018	15.3%	5.8%	3.1%	3.4%	7.4%
Vacant properties under redevelopment (GLA)	1.9%	1.4%	0.0%	3.4%	1.0%
Vacant properties held for sale (GLA)	5.3%	0.0%	0.4%	0.0%	1.7%
Active vacancy February 2018	8.1%	4.4%	2.7%	0.0%	4.7%
New lets post February 2018	0.3%	0.3%	0.6%	0.0%	0.4%
Current vacancy	7.8%	4.1%	2.1%	0.0%	4.3%

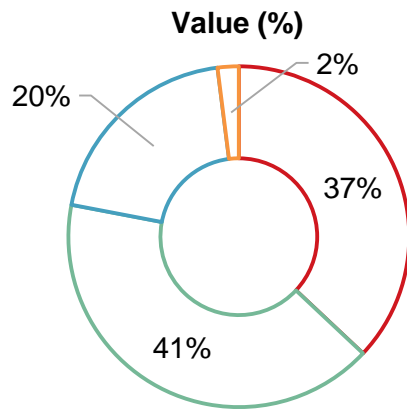
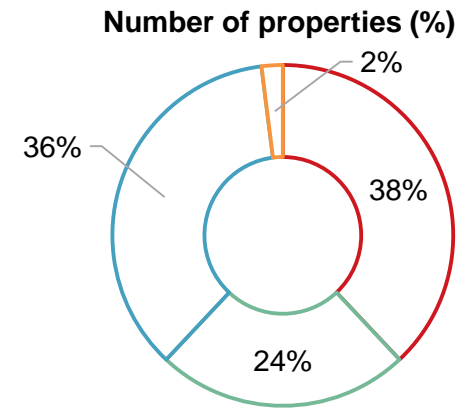
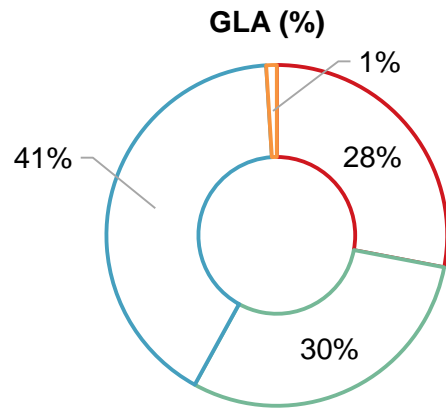
Local portfolio overview

Description	Office	Retail	Industrial	Specialised**	Total	Aug 2017
Number of properties	123	80	117	6	326	327
Total GLA (m ²) (million)	1.3	1.4	1.8	-	4.5	4.8
Vacancy (%) active*	8.1	4.4	2.7	-	4.7	4.6
Vacancy (%) total	15.3	5.8	3.1	3.4	7.4	7.8
Asset Value (R billion)	23.9	26.7	12.7	1.3	65	64
Average property value (Rm)	194	334	108	226	198	182
Value as % of portfolio	37	41	20	2	100	100
Average gross rent per m ² (R)	145.5	158.2	50.5	187.3	109.2	128
Weighted average retention rate by GLA (%)	92.4	95.0	95.9	100	94.7	93
Weighted average renewal rental growth by GLA (%)	(3.8)	2.9	4.2	-	0.3	1.7
Weighted average portfolio escalation by GLA (%)	7.6	7.6	6.5	8.9	7.5	7.5
Weighted average portfolio escalation by GMR (%)	7.7	7.6	7.0	9.5	7.4	7.6
Weighted average remaining lease period by GLA (years)	4.5	6.1	5.1	4.2	5.4	4.4
Weighted average remaining lease period by GMR (years)	4.7	5.8	4.4	4.3	4.8	3.8

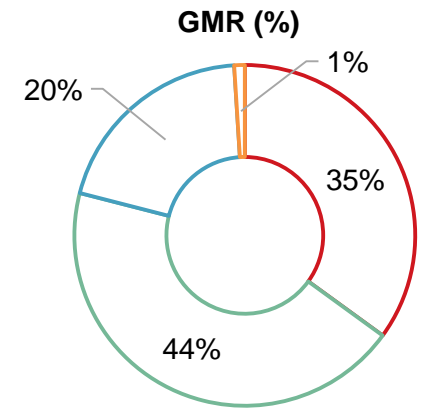
* Excludes properties held for sale and under development

** Excludes student accommodation

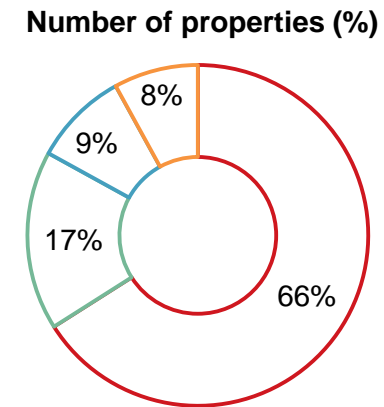
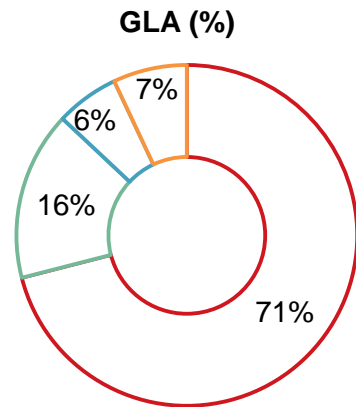
Sectoral split



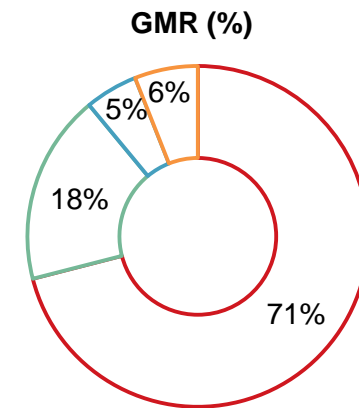
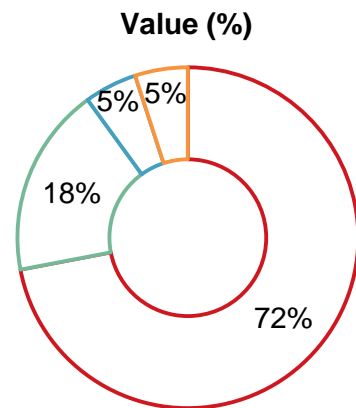
- Office
- Retail
- Industrial
- Specialised



Geographical split

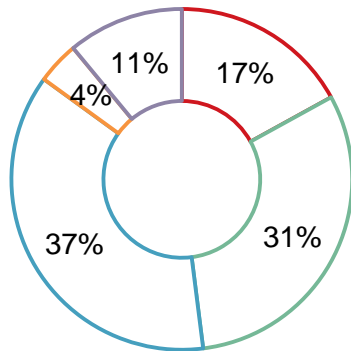


- Gauteng
- Western Cape
- KwaZulu-Natal
- Other

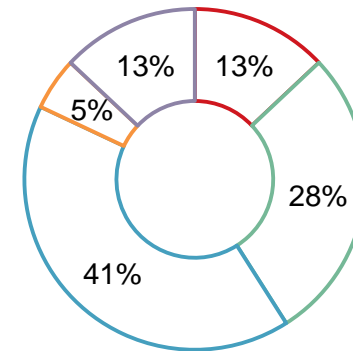


Retail sector

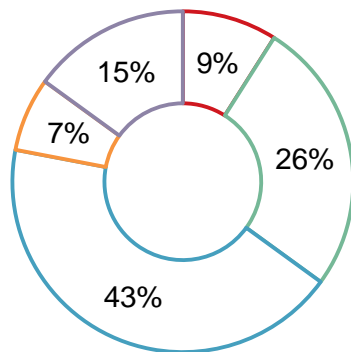
Value by type (%)



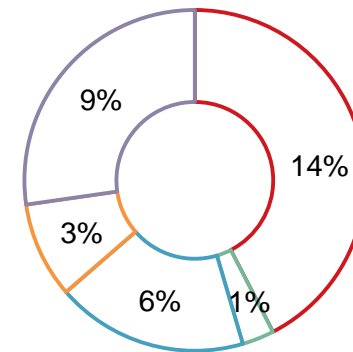
GMR by type (%)



GLA by type (%)



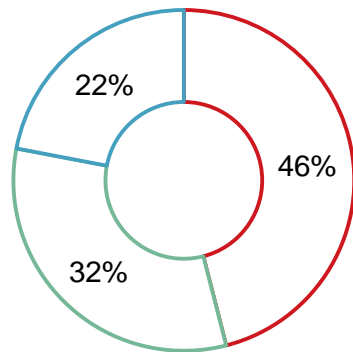
Vacancy by type 5.8 (%)



- Super Regional
- Regional
- Community / Small Regional
- Neighbourhood
- Other

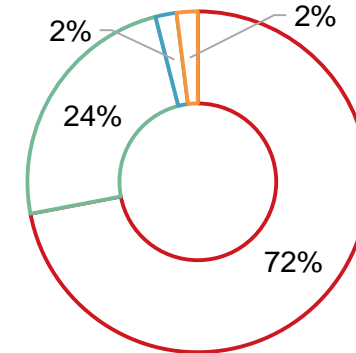
Office sector

Value by grade (%)

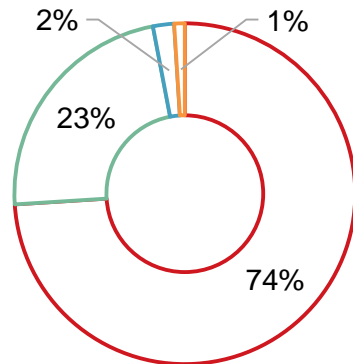


- Premium
- A Grade
- Secondary

GMR by location (%)

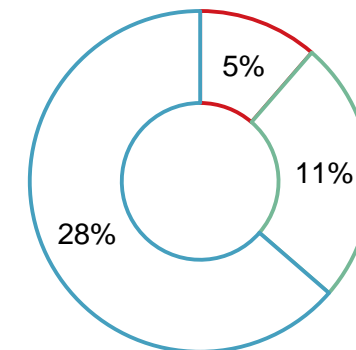


Value by location (%)



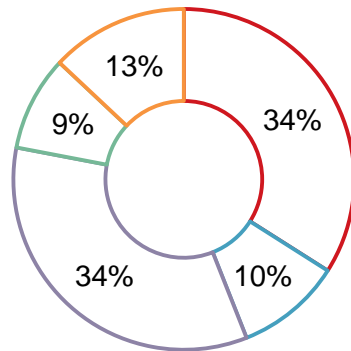
- Gauteng
- Cape
- KwaZulu-Natal
- Other

Vacancy by type 15.3 (%)

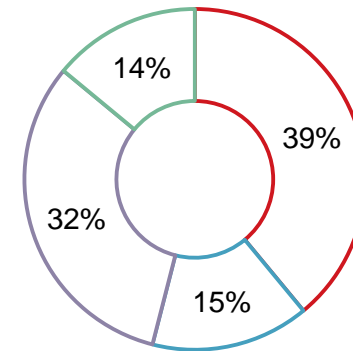


Industrial sector

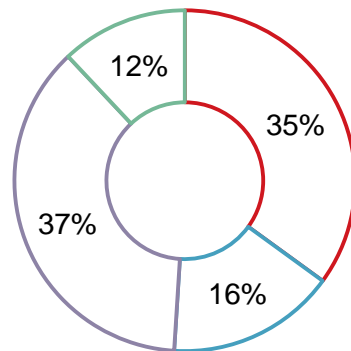
Value by type (%)



GMR by type (%)

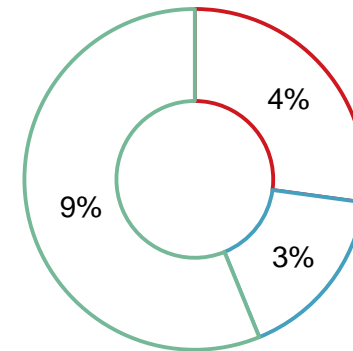


GLA by type (%)

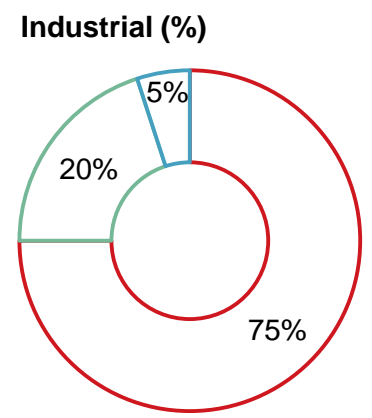
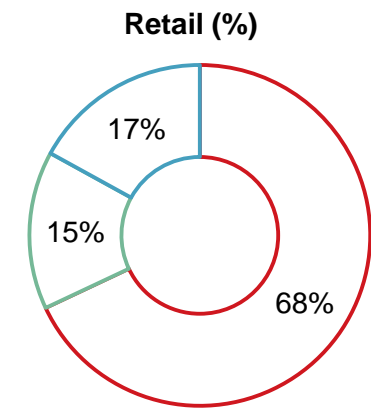
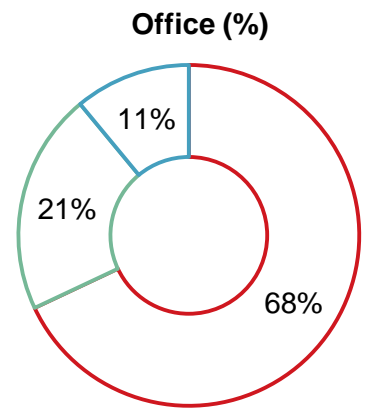


- Warehousing/Logistics
- Light Manufacturing
- Heavy Grade Industrial
- Industrial Units
- Land

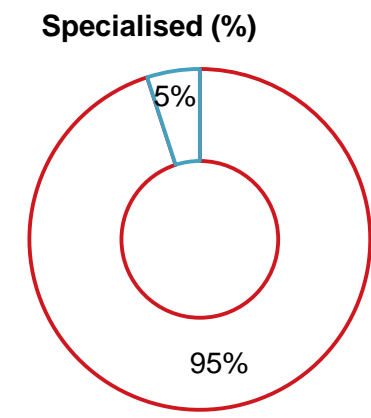
Vacancy by type 3.1 (%)



Tenant grading



- A Grade
- B Grade
- C Grade



Top 10 retail properties and tenants

Property	Region	Value (R'000)	GLA m ²	Tenant	GLA m ²
Centurion Mall	Gauteng	4 547 208	119 798	Shoprite	120 662
Blue Route Mall	Western Cape	1 527 500	55 645	Pick 'n Pay	101 312
Kenilworth Centre	Western Cape	1 446 000	53 407	Edcon	94 166
East Rand Mall*	Gauteng	1 430 430	34 047	Steinhoff Group	79 671
Golden Walk	Gauteng	1 187 700	45 348	Woolworths	60 947
Matlosana Mall	North West	1 120 000	64 968	Massmart	56 853
Centurion Lifestyle	Gauteng	991 830	56 350	Mr Price	43 054
The Boulders Shopping Centre	Gauteng	856 300	48 891	Foschini	41 658
Stoneridge Centre	Gauteng	850 000	51 421	Government	27 514
Maponya Mall*	Gauteng	836 824	36 468	Fruit & Veg City	21 709
Total		14 793 793	566 343	Total	647 545
Balance of portfolio		11 941 992	796 447	Balance of portfolio	715 244
Total portfolio		26 706 846	1 362 790	Total portfolio	1 362 790
% of total retail portfolio		55	38	% of total retail portfolio	48

* Redefine's share

Top 10 office properties and tenants

Property	Region	Value (R'000)	GLA m ²	Tenant	GLA m ²
Wembley 2	Western Cape	440 500	17 766	Government	143 674
The Towers	Western Cape	1 102 000	59 358	Standard Bank	48 920
Riverside Office Park	Gauteng	532 600	25 130	Webber Wentzel	34 883
Black River Office Park	Western Cape	1 138 000	52 808	Discovery Health	31 334
90 Rivonia Road	Gauteng	1 100 000	39 864	Bowman Gilfillan Incorporated	21 880
90 Grayston Drive	Gauteng	535 000	19 886	Nedbank	21 028
155 West Street	Gauteng	470 000	24 501	Alexander Forbes Group Services	20 546
115 West Street*	Gauteng	825 000	20 546	Amazon Developments Centre (SA)	19 442
Alice Lane	Gauteng	2 650 300	70 758	Murray & Roberts	19 309
Ballyoaks	Gauteng	529 400	23 410	Santam	19 268
Total		9 322 800	354 027	Total	380 284
Balance of portfolio		14 744 168	945 731	Balance of portfolio	919 473
Total portfolio		23 894 179	1 299 758	Total portfolio	1 299 758
% of total office portfolio		39	27	% of total office portfolio	29

* Redefine's share

Top 10 industrial properties and tenants

Property	Region	Value (R'000)	GLA m ²	Tenant	GLA m ²
Macsteel	Various	3 546 430	552 641	MacSteel	552 641
Pepkor Isando	Gauteng	864 000	107 017	Steinhoff Group	132 813
Robor	Gauteng	681 200	120 277	Robor	120 277
S & J Industrial* (land)	Gauteng	681 030	-	Isuzu Motors South Africa	38 515
Cato Ridge DC	KwaZulu-Natal	325 780	50 317	Kintetsu World Express (SA)	35 358
Wingfield Park	Various	305 000	56 486	Massmart	32 355
Cornubia Ptn 20 & 21 (land)	KwaZulu-Natal	245 759	-	Shoprite	30 148
GM - COEGA	Eastern Cape	226 440	38 515	Iliad Africa Trading	27 000
Atlantic Hills 55%* (land)	Western Cape	215 050	-	CIBA Packaging	23 803
Ushukela Industrial Park	KwaZulu-Natal	186 751	27 226	Edcon	23 308
Total		7 277 439	952 479	Total	1 016 218
Balance of portfolio		5 383 665	894 631	Balance of portfolio	830 892
Total portfolio		12 661 105	1 847 110	Total portfolio	1 847 110
% of total industrial portfolio		57	52	% of total industrial portfolio	55

* Redefine's share

Specialised properties

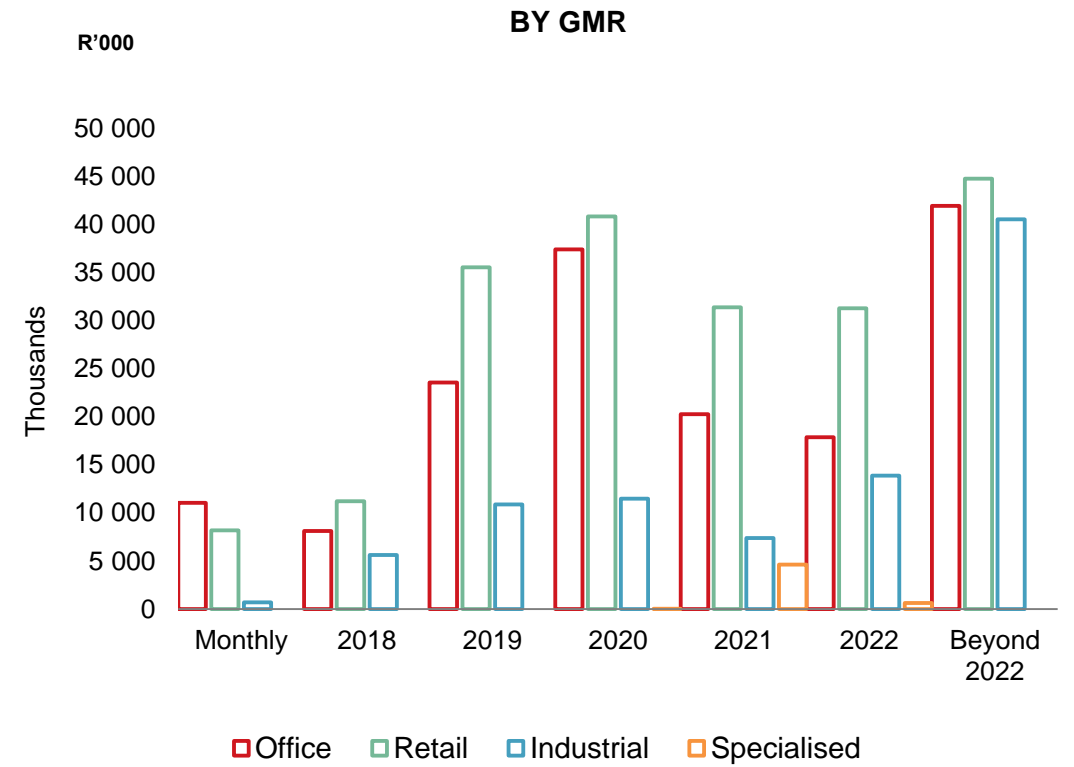
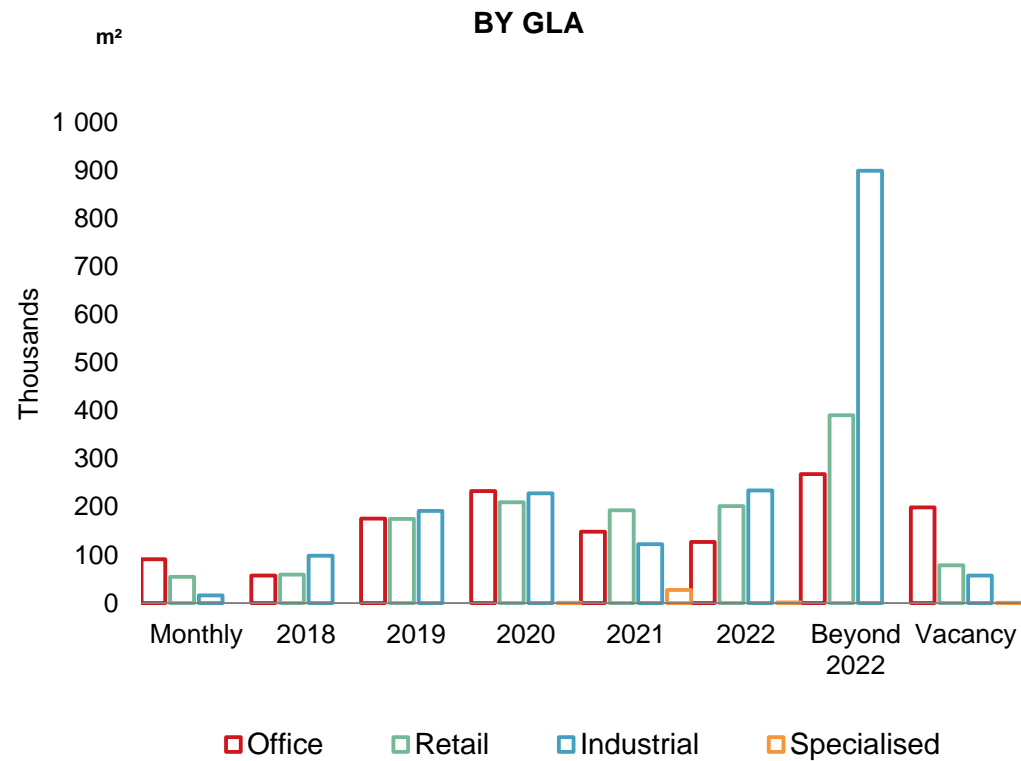
Property	Region	Value (R'000)
Hatfield Square*	Gauteng	625 000
MVL*	Gauteng	550 240
Bedford Gardens Hospital	Gauteng	331 510
Saratoga*	Gauteng	242 970
Park Central	Gauteng	172 789
West City*	Gauteng	138 750
Lincoln House*	Bloemfontein	120 020
Yale Village*	Gauteng	100 000
Roscommon House*	Western Cape	69 000
Southern Sun O.R. Tambo International Airport	Gauteng	56 403
Urban Nest*	Gauteng	55 770
The Fields*	Gauteng	52 210
Paton House*	KwaZulu-Natal	10 673
Total		2 525 335
% of total specialised portfolio		100

* The student accommodation portfolio has a 90.6% occupancy rate

Vacancy profile

	Office GLA m ²	Retail GLA m ²	Industrial GLA m ²	Specialised GLA m ²	Total GLA m ²
Gauteng	172 224	62 712	56 411	991	292 339
Cape	9 327	424	-	-	9 751
KwaZulu-Natal	4 831	3 921	735	-	9 487
Other	12 568	11 664	-	-	24 232
Total	198 950	78 721	57 146	991	335 809
Vacancy %	15.3	5.8	3.1	3.4	7.4
Vacancy excluding held-for-sale or under development	8.1	4.4	2.7	-	4.7
Total GLA	1 299 758	1 362 790	1 847 110	29 336	4 538 993

Lease expiry profile



Disposals transferred between 1 September 2017 and 28 February 2018

Property	Province	Sector	Date of transfer	GLA (m ²)	Selling Price (R'000)	Yield (%)
56 Rigger	Gauteng	Industrial	06-Sep-17	16 216	38 220	12.59%
Amalgamated Tedalex ¹	Gauteng	Industrial	12-Sep-17	18 634	9 700	N/A
288 Kent Avenue	Gauteng	Office	22-Sep-17	13 044	55 025	4.57%
Turfloop Plaza	Limpopo	Retail	22-Sep-17	6 734	96 920	10.15%
West End Office Park	Gauteng	Office	28-Sep-17	917	48 000	6.71%
N1 City Mall	Western Cape	Retail	04-Oct-17	37 230	881 600	7.68%
Freeway Centre	Gauteng	Industrial	05-Oct-17	41 829	103 000	7.79%
Thibault Square	Western Cape	Office	23-Oct-17	30 591	527 912	7.38%
Hazeldean Home World	Gauteng	Land	23-Oct-17	N/A	6 800	N/A
Dunkeld Office Park	Gauteng	Office	24-Oct-17	5 628	98 500	6.98%
Matsamo Plaza	Mpumalanga	Retail	29-Jan-18	7 579	108 900	10.08%
Ohm Street Industrial	Gauteng	Industrial	08-Feb-18	12 773	50 000	9.86%
Witbank Medical Centre	Mpumalanga	Retail	26-Feb-18	13 896	139 000	10.56%
Jet Polokwane	Limpopo	Retail	27-Feb-18	3 289	34 000	10.65%
Grand Total				208 360	2 197 577	8.08%

(1) The property was vacant due to the damage caused by a fire that occurred at the end of 2016 and was sold at a land related value

Development activity

	Completed development and re-development		Active development and re-development				Committed future development and re-development	
	Value (R'000)	Average yield (%)	Value (R'000)	Average yield (%)	Spent to date (R'000)	To be spent (R'000)	Value (R'000)	Average yield (%)
Office	-	-	1 187 650	8.4	446 929	740 721	162 594	1.6
Industrial	-	-	646 473	8.5	278 163	368 310	-	-
Retail	212 704	6.4	1 395 111	7.5	476 104	919 008	-	-
Specialised	103 363	10.6	2 049 229	9.6	1 143 669	905 561	108 080	10.6
Infrastructure	-	-	648 632	-	459 296	189 335	-	-
Total	316 066	7.8	5 927 096	8.6	2 804 161	3 122 935	270 674	5.2

Held-for-sale assets as at 28 February 2018

Property	Province	Sector	Expected / Date of transfer	Selling price (R'000)	Yield
Opera Plaza	Gauteng	Office	06-Mar-18	80 000	17.88%
111 Commissioner Street	Gauteng	Office	07-Mar-18	100 000	4.10%
Fedsure Forum	Gauteng	Office	01-Jun-18	140 000	1.25%
2 Sterling Rd	Gauteng	Industrial	01-Jul-18	32 000	11.29%
Jewel City	Gauteng	Office	31-Oct-18	178 000	10.10%
Total local properties				530 000	7.87%
Foreign investment property				67 010	
Cromwell Property Group				3 707 949	
Grand Total				4 304 959	

Top risks

Strategic risk dashboard

Rank	Move	Profile	Risk name	Residual vs Inherent risk exposure
1	➔	Board	Uncertainty pertaining to long term impact of geo-political and economic growth factors	
2	⬆️	Board	Cybersecurity and Information Security resilience	
3	➔	Board	Inability to achieve transformation targets	
4	➔	Board	Impact of disruptive technologies	
5	➔	Board	Financial market volatility	
6	➔	Board	Misalignment with international partners (in-country)	
7	⬆️	Board	Lack of sustainable growth in total return	
8	➔	Board	Deteriorating public/state infrastructure	
9	➔	Board	Increased competition for tenants, capital and property assets	

- ⬆️ Risk exposure decreased since last assessment
- ➔ Risk exposure remained unchanged since last assessment
- ⬇️ Risk exposure increased since last assessment
- New risk

- Residual
- Inherent risk

Local portfolio game plan

Centred on optimising risk and reward

Investment criteria

- Real estate and related investments – not a particular sector
- Exposure to key economic nodes
- Locations that have solid infrastructure to reduce leasing risk

Our focus

- To continue to protect, expand and improve existing well-located local properties through development activity
- On younger (more efficient), bigger, well-located and better quality properties with longer leases and A Grade tenants
- To recycle secondary assets to position the local portfolio for future growth
- Continued implementation of long term strategy per asset
- Selective acquisitions in under represented regions and to complement existing assets

International game plan

Centred on geographic diversification and exploiting attractive yield spreads

Investment criteria

- Local partner representation and aligned interests
- Opportunities for scale
- Real estate market is liquid
- Free flow of currency
- Tax regime and rules of law sophisticated

Our focus

- Contained to UK, Australia and Poland
- To provide strategic and financial support to our local partners
- Invest directly where there is potential for capital uplift through development
- Support listed investments in corporate activities
- Extend and increase the level of hedged income as and when the Rand weakens
- Hedge balance sheet naturally through same currency gearing

Integrated stakeholder engagement strategy

Driving a consistent experience for all stakeholders at every touch point

Key stakeholders

- Investors
- Employees
- Tenants
- Brokers
- Suppliers / service providers
- Communities in which we operate

Engagement strategies

- Translate our brand promise, into tailor made value propositions for each stakeholder
- Action plans that drive consistent experiences at each touch point
- Communicate delivery on each value proposition

Our 2018 strategic intervention

- Customer experience management

