SA CORPORATE REAL ESTATE

CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

SA Corporate Real Estate Limited
("the Group" or "the Company")
Incorporated in the Republic of South Africa
Share Code: SAC; ISIN Code: ZAE000203238
(Registration number 2015/015578/06)

Interim distribution growth
- 11.2% higher than June 2014
- 9.1% higher than December 2014

Capital structure
- Premium to NAV of 18.3%
- Effective debt 81.8% fixed

Portfolio activity
- Acquisition of 7 properties for R379,9m
- Contracted acquisition of a portfolio of 13 properties for R279,6m
- Disposal of 8 properties for R188,6m

Property performance
- Standing portfolio NPI growth of 6.4%
- Traditional and AFHCO portfolio vacancy as % of GLA reduced to 3.0% and 3.4% respectively
- Traditional portfolio positive rental reversions of 3.7%

INTRODUCTION

SA Corporate Real Estate Fund, was reconstituted as a corporate Real Estate Investment Trust ("REIT") with effect from 1 July 2015. The rationale for this conversion was to further align the interest of the Company to that of its shareholders, following the internalisation of the management of the Group on 1 May 2014. This better aligns the mechanics of the Group to global best practice and investor preference as it fosters better understanding of the regulatory and tax environments.

The Group owns a portfolio of industrial, retail, commercial and residential buildings located primarily in the major metropolitan areas of South Africa. The portfolio, excluding the Afhco portfolio, is referred to as the traditional portfolio.

The consolidated results reflect the position of SA Corporate Real Estate Fund.

REVIEW OF FINANCIAL RESULTS AND PORTFOLIO PERFORMANCE

Distribution Growth

SA Corporate delivered growth in distributions per unit for the six months to June 2015 of 11.2%. This amounts to a distribution of 19.66cpu (June 2014: 17.68cpu). The acquisition of the Afhco business and other assets in 2014 amounting to R1.4bn impacted positively on the results for the period. This was further supported by standing portfolio net property income ("NPI") growth of 6.4%.

Portfolio Performance

Total NPI increased by 20.1%, with the standing portfolio contributing 6.1%, Afhco 13.5% and other acquisitions 1.6% and off set by a 1.1% reduction in respect of disposals.

Industrial NPI growth of 7.3% was underpinned by strong tenant retentions of 88.3%, solid weighted average lease escalations of 8.1%, positive renewal reversions of 3.6% and acquisitions contributing 0.7%. The retail portfolio NPI growth of 9.5% was supported by solid retentions at 85.3%, positive renewal reversions of 5.1%, weighted average escalations of 7.8%.

The Afhco portfolio has delivered very pleasing results. The portfolio acquired on 1 July 2014, delivered growth in NPI of 13.3% relative to the 6 months July to December 2014. This is supported by escalations of 8% and 10% in respect of the residential and retail sectors respectively and reduced residential vacancies of 3.5% (Dec 2014:7.9%). Acquisitions contributed 4.5% to the increase in total NPI for the Group.

The standing portfolio expense ratio reduced from 32.8% to 30.8% due to bad debt recoveries, reduced maintenance costs especially with re-developments in the retail portfolio and reductions in letting costs. As a consequence of the acquisition of the Afhco portfolio, the property expenses increased by 16.3%.

Finance Cost

Net interest expense increased by 69.6%. This increase is supported by net accretive acquisitions amounting to R1.4bn.

Group and Other Expenses

Group expenses decreased by 22.3% for the 6 months to June 2015. This can be attributed to a reduction in service fee and accounting and secretarial fees post the internalisation of the management company, SA Corporate Real Estate Fund Managers Limited ("ManCo"), effective 1 May 2014, and a reduction in general administration costs emanating from the high level of transactional activity in the period January to June 2014.

The breakdown of distributable earnings is set out below:

DISTRIBUTABLE EARNINGS (R000)	6 months ended 30.06.2015 Unaudited	6 months ended 30.06.2014 Unaudited	Year ended 31.12.2014 Audited
Rent (excluding straight line rental adjustment)	**584,926**	482,814	1,034,231
Net property expenses	**(59,200)**	(44,718)	(115,689)
Property expenses	**(255,524)**	(219,683)	(494,474)
Recovery of property expenses	**196,324**	174,965	378,785
Net property income	**525,726**	438,096	918,542
Net funding cost	**(109,221)**	(64,052)	(162,795)
Interest income	**11,970**	11,404	30,478
Interest expense	**(121,191)**	(75,456)	(193,273)
Group expenses	**(18,456)**	(24,000)	(45,793)
Distributable earnings	**398,049**	350,044	709,954
Units in issue (000)	**2,024,162**	1,980,093	1,997,395
Weighted number of units in issue (000)	**2,021,500**	1,980,093	1,988,341
Distribution (cents per unit)	**19.66**	17.68	35.70
Interim	**19.66**	17.68	17.68
Final	**-**	-	18.02

PROPERTY VALUATIONS

The value of the Group's independently valued property portfolio increased by R604.5m to R11.27bn as at 30 June 2015 (31 December 2014: R10.67bn). The traditional like for like portfolio held for the full 12 months to 30 June 2015, increased by R246,5m (2.6%) from 31 December 2014.

The capitalisation and discount rates in the Group's like for like portfolio at 30 June 2015 were calculated on a weighted basis:

Sector	Capitalisation rate (%)		Discount rate (%)		Growth in like for like portfolio (%)
	30.06.2015	31.12.2014	**30.06.2015**	31.12.2014	**30.06.2015**
Industrial	**8.9**	8.9	**14.4**	14.4	**1.3**
Retail	**8.7**	8.6	**14.2**	14.1	**4.4**
Commercial	**8.7**	8.7	**14.2**	14.2	**0.8**
Portfolio total	**8.8**	8.8	**14.3**	14.3	**2.6**

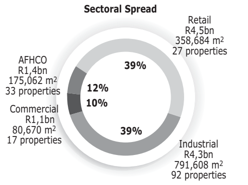
The value of the Afhco portfolio increased by R63,7m (8.9%) relative to the acquisition price.

The NAV per unit (387cpu) increased by 1.6% (December 2014: 381cpu) of which 1.4% increase is attributable to property valuation and increased number of units. Excluding the impact of the distribution, the NAV would have increased by 6.7%.

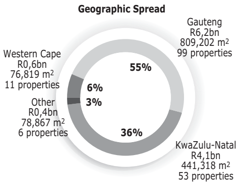
PORTFOLIO INVESTMENT ACTIVITY

The portfolio comprised 169 properties (139 properties as at June 2014 and 166 properties as at December 2014). The sectoral and geographic weightings by value as at 30 June 2015 are set out below:

Sectoral Spread



Geographic Spread



Committed Developments:

Properties	Cost (Rm)	Commencement date	Forecast completion date	Yield forecast 1st 12 months (%)	Sector [3]	Region
East Point, Boksburg	433,1	05/2014	10/2016	9.0	Retail	Gauteng
Umlazi Mega City, Umlazi [1]	259,2	11/2014	06/2017	9.3	Retail	KwaZulu-Natal
120 End Street Precinct, New Doornfontein	140,2	04/2015	03/2017	11.0	AFHCO	Gauteng
Stuttafords House, Johannesburg CBD	64,3	09/2014	03/2016	10.5	AFHCO	Gauteng
Bluff Shopping Centre, Bluff	63,1	01/2015	11/2015	9.7	Retail	KwaZulu-Natal
Comaro Crossing, Oakdene	56,9	03/2015	06/2016	8.0	Retail	Gauteng
Connaught Mansions and Gemdawn, New Doornfontein	41,6	09/2014	08/2015	11.0	AFHCO	Gauteng
Letsema House, Marshalltown	41,4	02/2015	05/2016	11.0	AFHCO	Gauteng
Jeppe Street Mall, New Doornfontein	35,8	09/2014	09/2015	11.0	AFHCO	Gauteng
Moray House, New Doornfontein	27,6	02/2015	04/2016	11.0	AFHCO	Gauteng
Stellenbosch Square, Stellenbosch [2]	21,9	11/2014	11/2015	9.9	Retail	Western Cape
Anchor Towers, Johannesburg CBD	7,7	03/2015	12/2015	11.0	AFHCO	Gauteng
Total	**1 192,8**			**9.6**		

[1] 75% Undivided share of development cost
[2] 50% Undivided share of development cost
[3] The AFHCO Portfolio is a mixed use portfolio, including residential and/or retail and/or commercial.

Acquisitions:

Properties	Cost (Rm)	Acquisition date	Yield forecast 1st 12 months (%)	Sector	Region
Atkinson House, Johannesburg CBD [1]	92,3	03/2015	10.3	AFHCO	Gauteng
Nukerk, New Doornfontein [2]	72,5	01/2015	10.6	AFHCO	Gauteng
Ilanga House, New Doornfontein [2]	70,6	01/2015	10.6	AFHCO	Gauteng
Textile Centre, New Doornfontein [2]	49,5	01/2015	10.6	AFHCO	Gauteng
Sambro House, Marshalltown	44,0	03/2015	10.2	AFHCO	Gauteng
Lustre House, New Doornfontein [2]	37,7	01/2015	10.6	AFHCO	Gauteng
African Diamond, New Doornfontein [2]	13,3	01/2015	10.6	AFHCO	Gauteng
Total	**379,9**		**10.4**		

[1] Deferred portion of original AFHCO acquisition
[2] Part of Morulat Property Investments 4 Proprietary Limited portfolio

Contracted and Unconditional Acquisitions:

Property	Cost (Rm)	Acquisition date	Yield forecast 1st 12 months (%)	Sector	Region
Inner City Retail Portfolio, Johannesburg CBD	279,6	09/2015	10.8	AFHCO	Gauteng

Disposals:

Properties	Transfer date	Gross selling price (Rm)	Carrying value at latest valuation date (Rm)	Exit yield on sale price (%)
Stellenbosch Square, Stellenbosch [1]	02/2015	40,0	46,3	7.8
36 Wierda Road West, Wierda Valley	02/2015	39,0	39,0	7.5
The Boulevard, Melville	04/2015	31,2	31,2	7.4
3 Remblok Street, Strydom Park	03/2015	10,7	10,4	8.3
110 Zastron Road, Bloemfontein	01/2015	6,9	6,9	6.8
Total		**127,8**	**133,8**	**7.6**

[1] 50% Undivided share

Contracted and Unconditional Disposals:

Properties	Expected transfer date	Gross selling price (Rm)	Carrying value at 30 June 2015 (Rm)	Exit yield on sale price (%)
Middelburg Pick n Pay, Middelburg	10/2015	25,3	25,3	8.3
293 Hebbard Road, Robertville	09/2015	23,5	23,5	5.5
Lebombo Road, Garsfontein (portion)	09/2015	12,0	12,0	6.2
Total		**60,8**	**60,8**	**6.8**

LEASE EXPIRIES AND VACANCIES

Vacancies in terms of rentable area and rental income were as follows:

Sector	Vacancy as % of GLA *			Vacancy as % of rental income		
	30.06.2015	31.12.2014	30.06.2014	**30.06.2015**	31.12.2014	30.06.2014
Traditional Portfolio:						
Industrial	0.7	1.4	1.4	0.6	1.2	1.1
Retail	5.5	5.9	6.5	3.5	3.4	3.5
Commercial	12.7	12.7	10.3	8.4	7.8	6.0
Traditional Portfolio total	**3.0**	**3.7**	**3.6**	**2.9**	**3.1**	**2.9**
AFHCO Portfolio:						
Retail / Commercial	3.0	1.8	-	3.3	2.3	-
Residential	3.5	7.9	-	4.2	8.9	-
AFHCO Portfolio total	**3.4**	**6.1**	**-**	**4.0**	**6.3**	**-**

* GLA=Gross lettable area

The trajectory of the total vacancies by GLA continued its downward trend, with vacancies by rental marginally up due to an increase in stand-alone office vacancies.

The industrial portfolio remains well let with improvements both in vacancies by GLA and rental. The quality of the underlying properties and strong relationships with tenants bode well for the industrial portfolio.

Retail vacancies by GLA reduced by a further 0.4%.

The commercial vacancy by GLA (which includes offices in retail centres at 6.2% of the total vacancy) remained flat with a 0.6% increase in vacancies by rental. The Group has successfully tendered for and let 1,768m² of office space at Musgrave Office Towers on a 5 year lease with occupation scheduled for early 2016 and has earmarked certain office buildings for residential conversions. This would reduce the commercial vacancies by GLA from 12.7% to 10.9%.

The Afhco portfolio vacancies have reduced by 2.7% and 2.3% by GLA and rental respectively. This is due to a combination of focused leasing and marketing strategies and the seasonality of the residential vacancies. This further resulted in reduced vacancies by GLA since acquisition from 6.4% for residential and 3.3% for retail/commercial to 3.5% and 3.0% respectively.

The lease expiry profile and vacancies (by GLA) are set out below:

Sector	Vacancy (%)	Expiries (%)					
		Monthly	2015	2016	2017	2018	Thereafter
Traditional Portfolio:							
Industrial	0.7	2.9	6.2	16.7	28.8	17.9	26.8
Retail	5.5	9.5	9.0	17.4	13.0	21.0	24.6
Commercial	12.7	5.1	9.3	25.9	12.6	8.4	26.0
Traditional Portfolio total	**3.0**	**4.9**	**7.2**	**17.6**	**23.1**	**18.0**	**26.2**
AFHCO Portfolio:							
Retail / Commercial	3.0	5.2	14.6	22.6	13.8	10.1	30.7
Residential [1]	3.5	48.2	22.5	25.8	-	-	-
AFHCO Portfolio total	**3.4**						

[1] Calculated on number of units

TENANT RETENTION AND RENTAL REVERSIONS

The table below reflects the Group's retention ratio and rental reversion per sector for a rolling 6 month period ending June 2015:

Sector	Expiries (m²)	Retention (m²)	Retention (%)	Rental reversion (%)
Traditional Portfolio:				
Industrial	71,071	62,726	88.3	3.6
Retail	30,257	25,803	85.3	5.1
Commercial	5,179	3,018	58.3	(4.6)
Traditional Portfolio total	**106,507**	**91,547**	**86.0**	**3.7**
AFHCO Portfolio:				
Retail / Commercial [1]	5,555	3,713	66.8	16.1

[1] Residential sector not included given the short term nature of the contracts.

In respect of the SA Corporate Portfolio, tenant retention has improved to 86.0% from December 2014 (75.9%), however tough conditions continue to weigh on tenancies such that this is still below the 89.5% level achieved in June 2014.

Given the pressure of the current economic conditions, reversions on commercial renewal rentals remain under pressure while industrial and retail are showing good reversions despite challenging economic conditions and exponential increases in administered costs.

BORROWINGS

The debt profile is detailed below as at 30 June 2015:

Type	Maturity date	Value (Rm)	Interest Rate (%)
Fixed	31.12.2015	300	7.95
Term revolver	25.07.2016	27	8.94
Fixed	31.12.2016	500	8.04
Fixed	15.12.2017	1,152	8.13
Fixed	13.08.2018	200	8.31
Fixed	30.09.2018	270	8.27
Fixed	30.09.2018	30	8.27
Fixed	15.12.2019	848	8.43
Fixed	15.04.2024	77	6.88
Total/weighted average		**3,404**	**8.18**

The level of gearing (LTV) has increased from 22.5% in June 2014 to 30.2% in June 2015. This is due to R1.4bn of accretive acquisitions made in 2014 and further R380m in the first half of 2015. The weighted average cost of debt drawn excluding fixes, remains at 7.7%, and inclusive of fixes at 8.2%. The weighted average margin and tenor at 30 June 2015 is 1.6% (excluding fixes) and 2.9 years respectively. 81.8% of the debt is fixed through a combination of fixes (81.4%) and fixed debt in respect of half the AFD loan. The swaps weighted average swap rate and tenor is 0.61% and 3.5 years respectively.

STRATEGY AND PROSPECTS

The conversion to a corporate REIT on 1 July 2015 marked the completion of the successful execution of the four pillar turnaround strategy, positioning the Company for sustainable distribution growth.

With its resilient industrial portfolio, unlocking of value in the retail portfolio and expansion into affordable residential properties, the Group is well placed and sized to broaden its scope to become well-diversified in sub-Saharan Africa, active in all sectors.

As we move to an increasing interest rate cycle amidst volatility and uncertainty the Board and management are acutely aware of the risks and consequently seek to extend debt facilities ahead of expiry and lock in the rates through remaining 81.8% hedged.

Management are exploring a number of acquisitions particularly in retail and residential which if successful will enhance the performance of the Company into the future.

In view of the achievements to date and the acquisition pipeline, the Board is confident that the Company will, for the full year, disregarding any accretive acquisitions in addition to those disclosed in these results, be able to deliver distribution growth of approximately 10%.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (R000)	As at 30.06.2015 Unaudited	As at 30.06.2014 Unaudited	As at 31.12.2014 Audited
Assets			
Non-current assets	**11,369,728**	9,298,056	10,621,038
Investment property	**10,995,322**	9,033,391	10,291,993
Letting commissions and tenant installations	**57,938**	61,561	63,430
Property, plant and equipment	**2,741**	-	1,427
Intangible asset	**82,972**	-	71,800
Interest rate swap derivatives	**59,955**	34,547	21,204
Rental receivable - straight line adjustment	**169,281**	168,557	169,468
Other financial assets	**1,519**	-	1,019
Deferred taxation	**-**	-	697
Current assets	**537,721**	661,899	719,311
	477,012	498 279	554,939
Trade receivables	**23,082**	11,689	15,312
Other receivables and accrued interest	**186,222**	174,567	167,713
Other financial assets	**39,581**	-	24,429
Rental receivable - straight line adjustment	**45,974**	40,777	41,871
Interest rate swap derivatives	**3,044**	3,362	4,042
Taxation receivable	**538**	-	321
Inventory	**34**	-	27
Cash resources and short-term investments	**22,248**	267,884	301,224
Loan to SA Corporate Real Estate Limited	**156,289**	-	-
Properties held for disposal	**60,275**	162,200	163,000
Letting commissions and tenant installations	**434**	1,420	1,372
Total assets	**11,907,449**	9,959,955	11,340,349
Unitholders' funds and liabilities			
Unitholders' funds	**7,842,293**	7,290,710	7,603,215
Non-current liabilities	**3,094,576**	2,118,968	3,106,491
Interest bearing borrowings	**3,094,576**	2,116,472	3,100,650
Interest rate swap derivatives	**-**	2,496	5,841
Current liabilities	**970,580**	550,277	630,643
Trade and other payables	**250,177**	185,542	253,560
Taxation payable	**480**	-	480
Interest bearing borrowings	**309,915**	-	-
Distributions payable	**398,049**	350,044	359,910
Interest rate swap derivatives	**11,959**	14,691	16,684
Bank overdraft	**-**	-	9
Total unitholders' funds and liabilities	**11,907,449**	9,959,955	11,340,349
NAV cpu	**387**	368	381

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (R000)	6 months ended 30.06.2015 Unaudited	6 months ended 30.06.2014 Unaudited	Year ended 31.12.2014 Audited
Revenue	**781,894**	658,527	1,408,879
Income	**793,864**	669,931	1,439,357
Rent	**584,926**	482,814	1,034,231
Straight line rental adjustment	**644**	748	(4,137)
Recovery of property expenses	**196,324**	174,965	378,785
Interest income	**11,970**	11,404	30,478
Expenses	**(411,791)**	(319,139)	(761,610)
Accounting and secretarial fees	**(31)**	(1,779)	(1,843)
Audit fees	**(1,441)**	(878)	(2,183)
Administrative fees	**(6,216)**	(6,713)	(35,770)
Depreciation	**(490)**	-	(688)
Interest expense	**(121,191)**	(75,456)	(193,273)
Operating expense	**(15,060)**	(1,700)	(20,538)
Property expenses	**(242,006)**	(206,438)	(467,657)
Property administration fees	**(13,518)**	(13,245)	(26,817)
Service fees	**-**	(12,930)	(12,841)
Debt restructure cost	**(11,838)**	-	-
Operating income	**382,073**	350,792	677,747
Capital loss on disposal of investment properties	**(8,151)**	(1,880)	(3,634)
Gain on acquisition of subsidiary	**-**	-	102,000
Internalisation fee	**-**	(185,000)	(185,000)
Loss on disposal of property, plant and equipment	**-**	-	(29)
Revaluation of investment properties	**107,916**	203,928	401,547
- Revaluations	**108,560**	204,676	397,410
- Straight line rental adjustment	**(644)**	(748)	4,137
Revaluation of interest rate swap derivatives	**33,859**	(7,328)	(25,329)
Income before taxation	**515,697**	360,512	967,302
Taxation	**6,254**	-	(122)
Net profit attributable to unitholders	**521,951**	360,512	967,180
Other comprehensive income	**-**	-	-
Total comprehensive income attributable to unitholders	**521,951**	360,512	967,180

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS (R000)	6 months ended 30.06.2015 Unaudited	6 months ended 30.06.2014 Unaudited	Year ended 31.12.2014 Audited
Unitholders' funds at the beginning of the period	**7,603,215**	7,280,242	7,280,242
Total comprehensive income for the period	**521,951**	360,512	967,180
Profit for the period	**521,951**	360,512	967,180
Units issued	**115,176**	-	65,747
Distribution attributable to unitholders	**(398,049)**	(350,044)	(709,954)
Unitholders' funds at the end of the period	**7,842,293**	7,290,710	7,603,215

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (R000)	6 months ended 30.06.2015 Unaudited	6 months ended 30.06.2014 Unaudited	Year ended 31.12.2014 Audited
Operating profit before working capital changes	**497,271**	435,892	683,145
Working capital changes	**34,097**	(41,892)	8,524
Cash generated from operations	**531,368**	394,000	691,669
Operating activities changes	**(480,433)**	(390,570)	(850,747)
Net cash flows from operating activities	**50,935**	3,430	(159,078)
Net cash flows from investing activities	**(734,468)**	(537,625)	(783,072)
Net cash flows from financing activities	**404,557**	490,559	931,845
Net decrease in cash resources and short-term investments	**(278,976)**	(43,636)	(10,305)
Cash resources and short-term investments at the beginning of period	**301,224**	311,520	311,520
Cash resources and short-term investments at the end of period	**22,248**	267,884	301,215

NOTES

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements. The results and prospects have not been audited or reviewed by the Group's auditors, Deloitte & Touche.

1. Reconciliation of net profit to headline earnings to distributable earnings attributable to unitholders

	6 months ended 30.06.2015 Unaudited		6 months ended 30.06.2014 Unaudited		Year ended 31.12.2014 Audited	
	R 000	**CPU**	R 000	CPU	R 000	CPU
Net profit	**521,951**	**25.65***	360,512	18.21	967,180	48.42*
Adjustments for:						
Capital loss on disposal of investment properties	**8,151**		1,880		3,634	
Revaluation of investment properties	**(107,916)**		(203,928)		(401,547)	
Gain on acquisition of subsidiary	**-**		-		(102,000)	
Headline earnings	**422,186**	**20.88***	158,464	8.00	467,267	23.50*
Cost of acquisition of subsidiary	**1,564**		-		15,795	
Debt facility fees	**14,367**		-		11,616	
Depreciation	**490**		-		688	
Taxation	**-**		-		122	
Internalisation fee	**-**		185,000		185,000	
Revaluation of interest rate swap derivatives	**(33,859)**		7,328		25,329	
Straight line rental adjustment	**(644)**		(748)		4,137	
Taxation on distributable earnings	**(6,254)**		-		-	
Non-distributable expenses	**199**		-		-	
Distributable earnings attributable to unitholders	**398,049**	**19.66**	350,044	17.68	709,954	35.70
Interim	**398,049**	**19.66**	350,044	17.68	350,044	17.68
Final	**-**	**-**	-	-	359,910	18.02

* calculated on weighted number of units in issue

2. Primary operational segments (R000)

Business segment	Industrial	Retail	Commercial	AFHCO	Group
Extract from statement of comprehensive income					
Revenue	275,147	335,161	71,164	100,422	781,894
Rental income (excluding straight line rental adjustment)	242,293	205,048	57,850	79,735	584,926
Net property expenditure	(23,015)	(5,234)	(10,181)	(20,770)	(59,200)
Property expenses	(56,034)	(135,635)	(23,461)	(40,394)	(255,524)
Recovery of property expenses	33,019	130,401	13,280	19,624	196,324
Net property income	219,278	199,814	47,669	58,965	525,726
Straight line rental adjustment	(165)	(288)	34	1,063	644
Net interest expense	-	-	-	-	(109,221)
Group expenses	-	-	-	-	(35,076)
Revaluation of interest rate swap derivatives	-	-	-	-	33,859
Taxation	-	-	-	-	6,254
Headline earnings	219,113	199,526	47,703	60,028	422,186
Other information					
Properties	4,224,604	4,397,254	1,056,640	1,377,099	11,055,597
Non-current assets:	4,201,104	4,372 479	1,044 640	1,377,099	10,995,322
At valuation	4,321,600	4,441,025	1,061,400	1,386,028	11,210,053
Straight line rental adjustment	(120,496)	(68,546)	(16,760)	(8,929)	(214,731)
Current assets:	23,500	24,775	12,000	-	60,275
Properties held for disposal	23,500	25,300	12,000	-	60,800
Straight line rental adjustment	-	(525)	-	-	(525)
Revaluation of investment properties excluding straight line rental adjustment	48,924	5,146	(148)	54,638	108,560

Segmental growth rates (%)	Industrial	Retail	Commercial	Group
Rental income (excluding straight line rental adjustment)	6.6	4.3	(1.8)	4.6
Property expenses	(2.2)	(4.3)	1.2	(2.1)
Recovery of property expenses	5.9	1.3	(11.2)	1.0
Net property income	7.3	(9.0)	(5.4)	6.5

SA CORPORATE REAL ESTATE

CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015 (continued)

NOTES (continued)

3. Amendments to the Trust Deed

During the 2014 period, the unitholders voted in favour of the following amendments to the Trust Deed:

- To amend the existing service charge arrangement in respect of the Group from a monthly charge based on 0.4% of the aggregate market capitalisation of the Group plus borrowings, to a monthly charge equal to the actual operating costs incurred by the ManCo in administering the Group as well as the cancellation of the initial charge of 5% on the value of any new units issued.

This was settled with the payment by the Group to the ManCo of a consideration of R185 million excluding VAT. As a consequence of the above amendment, the Group was deemed to gain control over its ManCo with effect from 1 May 2014. The results of the ManCo were consolidated in the Securities Exchange News Service ("SENS") announcement dated 26 August 2014. However, as the Group is not entitled to the ManCo's variable returns and therefore does not control the ManCo, the ManCo is no longer consolidated in the Group's results. This has no impact on the distributable earnings as the ManCo is on the cost recovery model post internalisation and the impact on distributable earnings remains unchanged. The impact on the profit after tax has subsequently been reversed with a total impact of R8.1m mainly due to the gain on bargain purchase of R8.9m.

Impact on the Condensed Consolidated Statement of Financial Position	Currently reported	As previously reported	Movement
Property, plant and equipment	-	406	(406)
Trade receivables	11,689	12,499	(810)
Cash resources and short-term investments	267,884	334,051	(66,167)
Unitholders' funds	(7,290,710)	(7,298,821)	8,111
Trade and other payables	(185,542)	(189,224)	3,682
Taxation payable	-	(32,462)	32,462
Dividends payable to shareholder	-	(23,128)	23,128
	(7,196,679)	**(7,196,679)**	**-**

Impact on the Condensed Comprehensive Consolidated Statement of Comprehensive Income:			
Operating expense	(1,700)	-	(1,700)
Gain on acquisition of subsidiary	-	8,872	(8,872)
Salaries and wages	-	(2,047)	2,047
Directors fees	-	(397)	397
Straight line rental adjustment	-	(17)	17
	(1,700)	**6,411**	**(8,111)**

4. Interest rate swap derivatives

The interest rate swap derivatives are valued based on the discounted cash flow method. Future cash flows are estimated based on forward interest rates from observable yield curves at the end of the reporting period and contract interest rates, discounted at a rate that reflects the credit risk. This is classified as a level 2 financial asset in terms of the degree to which the fair value is observable.

NOTES (continued)

5. Events subsequent to reporting date

SA Corporate unitholders ("Unitholders") are referred to the previous announcements released on the SENS on 30 April 2015, 29 May 2015, 19 June 2015 and 26 June 2015, regarding the proposed transaction whereby SA Corporate will be reconstituted to an internally managed corporate Real Estate Investment Trust and listed on the Johannesburg Stock Exchange as SA Corporate Real Estate Limited. The conversion from a trust REIT to a corporate REIT occurred as planned on 1 July 2015.

DISTRIBUTION DECLARATION AND IMPORTANT DATES

Notice is hereby given of the declaration of distribution no.41 in respect of the income distribution period 1 January 2015 to 30 June 2015. The distribution amounts to 19.66 cpu. The source of the distribution comprises net income from property rentals and interest earned on cash investments. Please refer to the statement of comprehensive income for further details.

As SA Corporate has REIT status, unitholders are advised that the distributions meet the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"). The distributions on SA Corporate units will be deemed to be dividends, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The distributions received by or accrued to South African tax residents must be included in the gross income of such unitholders and are not exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because they are dividends distributed by a REIT, with the effect that the distribution is taxable in the hands of the unitholder. These distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident unitholders, provided that the South African resident unitholders have provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated units, or the transfer secretaries, in respect of certificated units:

a) a declaration that the distribution is exempt from dividends tax; and

b) a written undertaking to inform the CSDP, broker or the transfer secretaries, as the case may be, should the circumstances affecting the exemption change or the beneficial owner ceases to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service.

SA Corporate unitholders are advised to contact the CSDP, broker or transfer secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

Distributions received by non-resident unitholders will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that until 31 December 2013 distributions received by non-residents from a REIT were not subject to dividend withholding tax. From 1 January 2014, any distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 15%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the unitholder.

DISTRIBUTION DECLARATION AND IMPORTANT DATES (continued)

Assuming dividend withholding tax will be withheld at a rate of 15%, the net dividend amount due to non-resident unitholders is 16.711 cents per SA Corporate unit. A reduced dividend withholding rate, in terms of the applicable DTA, may only be relied on if the non-resident unitholder has provided the following forms to the CSDP or broker, as the case may be, in respect of uncertificated units, or the transfer secretaries, in respect of certificated units:

a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and

b) a written undertaking to inform the CSDP, broker or the transfer secretaries, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner ceases to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident unitholders are advised to contact the CSDP, broker or the transfer secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted, if applicable.

2,024,162,410 SA Corporate units are in issue at the date of this distribution declaration and SA Corporate's income tax reference number is 2951279203.

Last date to trade cum distribution	Thursday, 17 September 2015
Units will trade ex-distribution	Friday, 18 September 2015
Record date to participate in the distribution	Friday, 25 September 2015
Payment of distribution	Monday, 28 September 2015

Unit certificates may not be dematerialised or re-materialised between Friday, 18 September and Friday, 25 September 2015, both days inclusive.

SA Corporate Real Estate Limited

Registered office	Registered auditors	Transfer secretaries	Sponsor
South Wing, First Floor Block A The Forum North Bank Lane Century City 7441 Tel 021 529 8410	Deloitte & Touche 1st Floor The Square Cape Quarter 27 Somerset Road Cape Town 8005	Computershare Investor Services (Pty) Ltd Ground Floor 70 Marshall Street Johannesburg 2001 PO Box 61051 Marshalltown 2107	Nedbank Capital A division of Nedbank Limited 135 Rivonia Road Sandton 2196

This report has been prepared under the supervision of AM Basson CA(SA).

B Swanepoel
Company Secretary
28 August 2015