SA CORPORATE REAL ESTATE

PRELIMINARY SUMMARISED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

Distribution growth
- Full year 10.8% higher than 2014
- 2nd half 2015 10.5% higher than 2nd half 2014

Capital structure
- 87.2% of debt fixed
- R1,3bn of equity raised amounting to the issue of 289.9m shares

Portfolio activity
- Acquisitions of R1,3bn
- Like for like portfolio value up 11.5%

Property performance
- NPI growth of 15.4%
- Vacancy as % of traditional portfolio GLA improved to 2.3%
- Traditional portfolio tenant retention at 89.9%

INTRODUCTION

SA Corporate Real Estate Limited is a JSE-listed Real Estate Investment Trust ("REIT") which owns a diversified portfolio of industrial, retail, commercial and residential buildings located primarily in the major metropolitan areas of South Africa with a secondary node in Zambia.

REVIEW OF FINANCIAL RESULTS AND PORTFOLIO PERFORMANCE

Distribution Growth

SA Corporate delivered growth in distributions per share for the year ended December 2015 of 10.8% and for the six months July to December 2015 of 10.5%. This amounts to a full year distribution of 39.57 cents per share ("cps") (Dec 2014: 35.70 cps) and a second half distribution of 19.91 cps (2014: 18.02 cps). Total acquisitions of R2.7bn at a 9.6% yield over the last 2 years impacted positively on this result. This was further supported by standing portfolio net property income ("NPI") growth of 6.3%.

Portfolio Performance

The total NPI increased by 15.4%, with the standing portfolio and the R2.7bn acquisitions over the last two years contributing 5.8% and 10.9% respectively, less 1.3% due to disposals. The industrial NPI growth (7.1%) is attributable to standing portfolio growth of 6.9%, reduced vacancies (1.5%), strong retentions (93% of 18% by GLA expiry), positive reversions of 2.3% and escalations of 8.1%. The retail portfolio NPI growth of 7.7% was underpinned by further reductions in vacancies (1.3%), improved recoveries, strong retentions (85%) and positive reversions (6.5%).

The NPI in respect of the AFHCO portfolio increased by 242.2%. This is mainly due to 2015 being the first full year of inclusion of AFHCO. Acquisitions of R640.9m at a weighted average yield of 10.6%, further contributed to the growth. Portfolio vacancies reduced by 0.8% at year end and rental escalations of between 9% and 10% further contributed to a pleasing AFHCO performance.

The standing portfolio expense ratio reduced from 33.5% to 32.9% due to bad debt recoveries, reduced maintenance costs especially with re-developments in the retail portfolio and reductions in letting costs. Property expenses increased by 12.9% as a result of the acquisition of the AFHCO portfolio.

Finance Costs

Net interest expense increased by 41.9%. This increase arose from accretive acquisitions of R1.3bn.

Group and Other Expenses

Group expenses decreased by 18.0% mainly attributable to a R3.5m refund from SARS in respect of the VAT attribution objection and savings in the service fees relative to actual costs for the period January to April, pre the internalisation of management 1 May 2014.

Antecedent Distribution

The Group successfully raised R1.2bn of equity by issuing 263,141,110 shares via a rights issue at a discounted price of 457cps cum dividend. This resulted in an antecedent distribution of R52,4m.

The breakdown of distributable earnings is set out below:

DISTRIBUTABLE EARNINGS (R000)	Year ended 31.12.2015	Year ended 31.12.2014
Rent (excluding straight line rental adjustment)	**1,202,536**	1,034,231
Net property expenses	**(142,463)**	(115,689)
Property expenses	**(558,143)**	(494,474)
Recovery of property expenses	**415,680**	378,785
Net property income	**1,060,073**	918,542
Investment in joint venture	**9,207**	-
Taxation on distributable earnings	**489**	-
Net funding cost	**(231,146)**	(162,795)
Interest income	**23,897**	30,478
Interest expense	**(255,043)**	(193,273)
Group expenses	**(37,562)**	(45,793)
Antecedent distribution	**52,392**	-
Distributable earnings	**853,453**	709,954
Shares in issue (000)	**2,287,304**	1,997,395
Weighted number of shares in issue (000)	**2,033,656**	1,988,341
Distribution (cents per share)	**39.57**	35.70
Interim	**19.66**	17.68
Final	**19.91**	18.02

PROPERTY VALUATIONS

The value of the Group's independently valued property portfolio increased by R1,7bn (16.1%) to R12.4bn. The increase is as a result of the R640.9m (6%) acquisitions of the inner city residential and retail properties and an upward revision in the like for like portfolio held for the full 12 months to 31 December 2015, of R1.2bn (11.5%), due to retail assets under development.

The capitalisation and discount rates in the Group's standing portfolio at 31 December 2015 were calculated on a weighted basis:

Sector	Capitalisation rate (%)		Discount rate (%)		Growth in standing portfolio (%)
	31.12.2015	31.12.2014	**31.12.2015**	31.12.2014	**31.12.2015**
Industrial	**8.9**	8.9	**14.4**	14.4	**5.3**
Retail	**8.7**	8.7	**14.2**	14.2	**18.7**
Commercial	**8.7**	8.7	**14.2**	14.2	**0.5**
AFHCO	**10.2**	#	*	*	**20.2**
Total	**8.9**	**8.8**	**14.3**	**14.3**	**11.5**

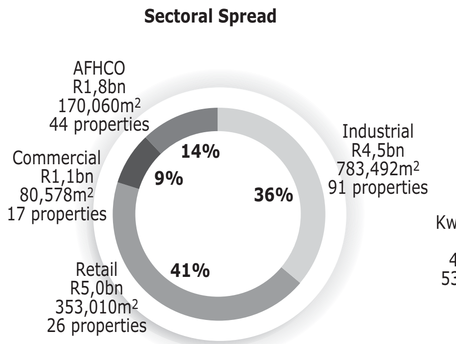
* AFHCO properties are not valued on a discount rate basis, due to the short term nature of residential leases.
# The AFHCO portfolio was not part of the standing portfolio at December 2014 as it was acquired in 2014.

While capitalisation and discount rates have largely remained unchanged over the year, current changes in the SA economy are likely to negatively impact the investment market and hence capitalisation and discount rates. The extent to which the market reacts to these changes and the long-term impacts are uncertain and volatile. Indications are that this is likely to result in adjustments in capitalisation and discount rates in the June 2016 valuation.

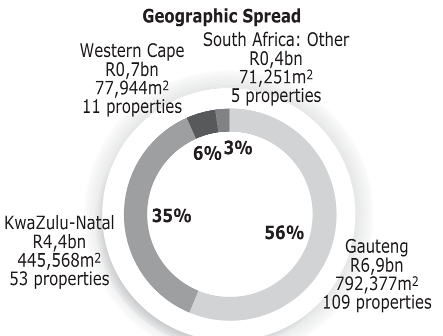
PORTFOLIO INVESTMENT ACTIVITY

The portfolio comprised 178 properties (December 2014: 166), which excludes the value of the Zambian properties of R938.5m, that has been equity accounted. The sectoral and geographic weightings by value as at 31 December 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	Region
East Point, Boksburg	433,1	05/2014	07/2016	9.6	Retail	Gauteng
AFHCO pipeline as part of original acquisition [4]	266,7	03/2015 to 05/2016	03/2016 to 01/2017	11.0	AFHCO	Gauteng
Umlazi Mega City, Umlazi [1] Development of bulk acquired	263,7	11/2014	06/2017	9.3	Retail	KwaZulu-Natal
Bluff Shopping Centre, Bluff	65,3	01/2015	01/2016	9.7	Retail	KwaZulu-Natal
Comaro Crossing, Oakdene [2]	53,7	03/2015	08/2016	8.0	Retail	Gauteng
Stellenbosch Square, Stellenbosch [3]	25,1	11/2014	03/2016	11.1	Retail	Western Cape
Total	**1 107,6**			**9.8**		

[1] 75% Undivided share of development cost
[2] Yield excluding defensive capex of R14m is 11.0%
[3] 50% Undivided share of development cost
[4] Cost includes bulk cost incurred with original acquisition on 1 July 2014

Acquisitions:

Properties	Cost (Rm)	Acquisition date	Yield forecast 1st 12 months (%)	Sector	Region
Morulat Property Investments 4 Portfolio, New Doornfontein	243,6	01/2015	10.6	AFHCO	Gauteng
Atkinson House, Johannesburg CBD [1]	92,3	03/2015	10.3	AFHCO	Gauteng
Sambro House, Marshalltown	44,0	03/2015	10.2	AFHCO	Gauteng
Inner City Retail Portfolio, Johannesburg CBD	261,0	10/2015	10.8	AFHCO	Gauteng
Indirect investment in property portfolio in Lusaka and Ndola [2]	693,7	11/2015 to 12/2015	8.7	Rest of Africa	Zambia
Total	**1 334,6**		**9.6**		

[1] Forms part of original AFHCO deal
[2] 50% of net equity in investment in joint venture - yield determined in US Dollars

Contracted Acquisitions:

Properties	Cost (Rm)	Acquisition date	Yield forecast 1st 12 months (%)	Sector	Region
Morning Glen Shopping Centre, Sandton	293,0	02/2016	9.7	Retail	Gauteng
Jeppe Street Post Office	88,2	06/2016	[1]	AFHCO	Gauteng
Inner City Retail Portfolio, Johannesburg CBD (Remainder)	20,1	04/2016	10.8	AFHCO	Gauteng
Total	**401,3**		**9.8**		

[1] Property acquired to redevelop to 14,000m² of retail and 44,000m² of residential (approximately 850 apartments) and the redevelopment viability is in the process of being finalised.

Disposals:

Properties	Transfer date	Gross selling price (Rm)	Carrying value at latest valuation date (Rm)	Exit yield on sale price (%)
110 Zastron Road, Bloemfontein	01/2015	6,9	6,9	6.8
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
3 Remblok Street, Strydom Park	03/2015	10,7	10,4	8.3
The Boulevard, Melville	04/2015	31,2	31,2	7.4
Middelburg Pick n Pay, Middelburg	09/2015	24,0	25,3	8.3
293 Hebbard Road, Robertville	12/2015	23,5	23,5	5.5
Total		**175,3**	**182,6**	**7.4**

[1] 50% Undivided share

Contracted and unconditional disposals:

Properties	Expected transfer date	Gross selling price (Rm)	Carrying value (Rm)	Exit yield on sale price (%)
Checkers Somerset West [1]	02/2016	75,0	75,0	7.1
8 Paul Smit Street, Anderbolt [1]	02/2016	50,0	50,0	8.8
83 Heidelburg Ave, City Deep [2]	03/2016	36,0	36,0	7.4
4 School Road, Pinetown [2]	03/2016	25,5	25,5	5.3
Total		**186,5**	**186,5**	**7.4**

[1] Transferred in February 2016 [2] Contracted and unconditional [3] 50% Undivided share

VACANCIES AND LEASE EXPIRIES

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

Sector	Vacancy as % of GLA*		Vacancy as % of rental income	
	31.12.2015	31.12.2014	**31.12.2015**	31.12.2014
Traditional portfolio:				
Industrial	0.3	1.4	0.3	1.2
Retail	4.5	5.9	2.8	3.4
Commercial	11.1	12.7	8.0	7.8
Traditional portfolio total:	**2.3**	**3.7**	**2.4**	**3.1**
AFHCO portfolio:				
Residential	5.6	7.9	6.6	8.9
Retail / Commercial	4.8	1.8	3.7	2.3
AFHCO portfolio total:	**5.3**	**6.1**	**5.5**	**6.3**
Rest of Africa portfolio:				
Retail	2.2	-	1.4	-
Commercial	4.6	-	2.6	-
Rest of Africa portfolio total:	**2.7**	**-**	**1.7**	**-**

* GLA=Gross Lettable Area

The current year saw overall vacancies in respect of the traditional portfolio reducing to 2.3% (2014: 3.7%) and 2.4% (2014: 3.1%) by GLA and rental income respectively.

The AFHCO portfolio vacancies trended lower to 5.3% (2014: 6.1%) and 5.5% (2014: 6.3%) by GLA and rental income respectively, this as measures to mitigate the trend of spiking residential vacancies over the holiday season were successful.

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

Sector	Vacancy (%)	Expiries (%)					
		Monthly	2016	2017	2018	2019	Thereafter
Traditional portfolio:							
Industrial	0.3	2.4	17.2	30.2	19.8	5.4	24.7
Retail	4.5	10.4	17.7	14.2	21.3	9.8	22.1
Commercial	11.1	10.4	25.5	13.0	9.9	8.9	21.2
Traditional portfolio total:	**2.3**	**5.2**	**18.0**	**24.4**	**19.4**	**6.9**	**23.8**
AFHCO portfolio:							
Retail / Commercial	4.8	8.4	23.7	14.6	12.4	6.7	29.4
Residential [1]	5.6	50.8	42.7	0.9			
[1] Calculated on number of units							
Rest of Africa portfolio:							
Retail	2.2	-	20.5	3.9	8.9	27.5	37.0
Commercial	4.6	-	14.8	11.2	14.4	45.5	9.5
	2.7	**-**	**19.1**	**5.6**	**10.2**	**31.7**	**30.7**

TENANT RETENTION AND RENTAL REVERSION

The table below reflects the Group's tenant retention ratio and rental reversion per sector for a rolling 12 month period ending December 2015:

Sector	Expiries (m²)	Retention (m²)	Retention (%)	Rental reversion (%)
Traditional portfolio:				
Industrial	144,587	134,272	92.9	2.3
Retail	74,233	62,793	84.6	6.5
Commercial	19,520	17,259	88.4	(7.3)
Total	**238,341**	**214,324**	**89.9**	**3.1**
AFHCO portfolio:				
Retail / commercial	7,891	5,532	70.1	11.2

With 20% of the traditional portfolio expiring in 2015, the Group successfully retained 89.9% of its tenants at a weighted average reversion of 3.1% despite challenging economic conditions.

Of the 4.6% expiries relating to the AFHCO retail/commercial portfolio expiring we managed to retain 70.1% at a reversion of 12.1%.

BORROWINGS

The debt profile is detailed below as at 31 December 2015:

Facility	Maturity date	Value (Rm)	Interest Rate (%)
Term	01.11.2016	350	7.98
Term	01.01.2017	500	8.18
Term	15.12.2017	1,152	8.41
Term	13.08.2018	200	8.33
Term	30.09.2018	270	8.30
Term	30.09.2018	30	8.30
Term revolver *	01.11.2018	-	8.38
Term revolver #	31.12.2018	-	8.08
Term	15.12.2019	848	8.71
Term	01.11.2020	421	3.59
Term	15.04.2024	73	6.88
Total /weighted average		**3,844**	**7.84**

*= R200m revolving credit facility undrawn #= R300m revolving credit facility undrawn

Continuing with its net acquisitive phase of investment, the Group's effective loan to value ("LTV") peaked at 36% before reducing to 28.9% (December 2014: 29.1%), following a successful capital raise. The weighted average cost of debt, in respect of the effective debt excluding fixes, was 7.4%, (December 2014: 7.7%) at a weighted average margin of 1.6% (December 2014: 1.7%) and a weighted average tenor of 2.7 years (December 2014: 3.4 years).

At 31 December 2015, 87.0% of the debt drawn was fixed via interest rate hedges, at a weighted average rate and margin of 6.9% and 0.78% respectively and a weighted average tenor of 3.1 years. Total debt fixed amounts to 87.2% inclusive of fixed rate debt. The weighted average cost of debt inclusive of fixes, depicted above, amounts to 7.84%. This is down 0.5% from December 2014, due to increase in funding and funding tenors.

STRATEGY AND PROSPECTS

During the year the Group completed its conversion to a corporate REIT setting the foundation for its strategy to deliver sustainable distribution growth to be achieved by:

- Building AFHCO to become a dominant trusted residential rental brand of choice in South Africa providing quality and affordable accommodation in high demand nodes.
- Capitalising on inner city retail opportunities by growing exposure in high traffic precincts informed by market research and building relationships with retailers with strong trading performance in these markets.
- Optimising the retail portfolio through redevelopments and improvements to tenant mix to ensure our shopping centres dominate and/or provide a differentiated offer to the catchment markets they serve.
- Enhancing the resilience of the industrial portfolio by focusing on tenant retention and undertaking improvements that support the operational needs of our tenants.
- Generating growth from a phased development pipeline ensuring that investment returns are realised by managing both the cost and quantum of capital when funded on balance sheet or through appropriate risk and reward sharing mechanisms when partnering with developers.
- Recycling capital from low growth, poor quality to high growth, high quality assets.
- Monitoring market trends to identify appropriate timing to progress the Group's sub Saharan investment strategy when property pricing reflects attractive returns.
- Enhancing returns through effective use of debt and equity to optimise capital structure and manage interest rate risk and liquidity in volatile market conditions.
- Facilitating that the business positively impacts the environment and ensures cost containment through green initiatives.

In executing the above strategy and given progress to date the Board is confident that the Group is well placed to achieve distribution growth of approximately 9% for the next six months.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (R000)	As at 31.12.2015 Audited	As at 31.12.2014 Audited
Assets		
Non-current assets	**12,920,112**	10,621,038
Investment property	**11,631,267**	10,291,993
Letting commissions and tenant installations	**75,706**	63,430
Investment in joint ventures	**850,068**	-
Property, plant and equipment	**5,501**	1,427
Intangible assets	**76,897**	71,800
Interest rate swap derivatives	**117,668**	21,204
Rental receivable - straight line adjustment	**159,370**	169,468
Other financial assets	**1,619**	1,019
Deferred taxation	**2,016**	697
Current assets	**660,506**	554,939
Trade and other receivables	**246,492**	183,025
Other financial assets	**33,816**	24,429
Rental receivable - straight line adjustment	**47,233**	41,871
Interest rate swap derivatives	**9,048**	4,042
Taxation receivable	**443**	321
Inventory	**52**	27
Loan to developer	**13,073**	-
Cash and cash equivalents	**310,349**	301,224
Non-current assets held for sale	**556,036**	164,372
Properties classified as held for disposal	**553,700**	163,000
Letting commissions and tenant installations	**2,336**	1,372
Total assets	**14,136,654**	11,340,349
Share capital and reserves and liabilities		
Share capital and reserves	**9,980,915**	7,603,215
Non-current liabilities	**3,486,022**	3,106,491
Interest bearing borrowings - Local	**3,420,503**	3,100,650
Interest bearing borrowings - Foreign	**65,519**	-
Interest rate swap derivatives	**-**	5,841
Current liabilities	**669,717**	630,643
Trade and other payables	**292,301**	253,560
Loan from developer	**13,020**	-
Interest bearing borrowings - Local	**350,000**	-
Interest bearing borrowings - Foreign	**8,595**	-
Distributions payable	**-**	359,910
Rental payable - straight line adjustment	**49**	-
Interest rate swap derivatives	**5,744**	16,684
Taxation payable	**-**	480
Bank overdraft	**8**	9
Total shareholders' funds and liabilities	**14,136,654**	11,340,349
NAV cps	**436**	381

The net asset value ("NAV") per share has increased by 14.4%. The current year NAV is reflected cum distribution against the prior year ex distribution NAV to comply with IFRS requirements. Had the 2014 NAV been shown cum distribution the NAV would have been 399 cps resulting in an 9.3% increase in the NAV.

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (R000)	Note	Year ended 31.12.2015 Audited	Year ended 31.12.2014 Audited
Revenue		**1,614,549**	1,408,879
Income		**1,638,446**	1,439,357
Rent		**1,202,536**	1,034,231
Straight line rental adjustment		**(3,667)**	(4,137)
Recovery of property expenses		**415,680**	378,785
Interest income		**23,897**	30,478
Expenses		**(884,313)**	(761,610)
Accounting and secretarial fees		**-**	(1,843)
Audit fees		**(3,063)**	(2,183)
Administrative fees		**(55,010)**	(56,308)
Interest rate swap derivatives restructure costs		**(11,838)**	-
Depreciation		**(1,186)**	(688)
Interest expense		**(255,043)**	(193,273)
Property expenses		**(530,575)**	(467,657)
Property administration fees		**(27,568)**	(26,817)
Service fees		**-**	(12,841)
Straight line rental adjustment		**(30)**	-
Operating income		**754,133**	677,747
Capital loss on disposal of investment properties		**(16,178)**	(3,634)
Foreign exchange adjustments		**(44,275)**	-
Gain on acquisition of subsidiary and joint ventures	4	**30,079**	102,000
Internalisation fee		**-**	(185,000)
Loss on disposal of property, plant and equipment		**-**	(29)
Profit from joint venture		**47,564**	-
Revaluation of investment properties		**538,479**	401,547
- Revaluations		**534,812**	397,410
- Straight line rental adjustment		**3,667**	4,137
Revaluation of interest rate swap derivatives		**103,791**	(25,329)
Profit before taxation		**1,413,593**	967,302
Taxation credit/(charge)		**46**	(122)
Profit after taxation		**1,413,639**	967,180
Other comprehensive income, net of taxation			
Items that may be reclassified to profit or loss			
Foreign exchange adjustments on investment in joint ventures		**87,861**	-
Total comprehensive income		**1,501,500**	967,180
Earnings and diluted earnings per share*		**69.51**	48.64

* Calculated on weighted average number of units

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (R000)	Year ended 31.12.2015 Audited	Year ended 31.12.2014 Audited
Share capital and reserves at the beginning of the year	**7,603,215**	7,280,242
Total comprehensive income for the year	**1,501,500**	967,180
17,301,905 units issued	-	65,747
26,767,491 units issued	**115,176**	-
263,141,110 shares issued	**1 125,727**	-
3,883,009 shares repurchased	**(19,046)**	-
Antecedent distribution	**52,392**	-
Distribution attributable to shareholders	**(398,049)**	(709,954)
Share capital and reserves at the end of the year	**9,980,915**	7,603,215

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS (R000)	Year ended 31.12.2015 Audited	Year ended 31.12.2014 Audited
Operating profit before working capital changes	**989,752**	683,145
Working capital changes	**(66,222)**	8,524
Cash generated from operations	**923,530**	691,669
Operating activities changes	**(1,023,634)**	(850,747)
Net cash flows from operating activities	**(100,104)**	(159,078)
Net cash flows from investing activities	**(1,607,235)**	(783,072)
Net cash flows from financing activities	**1,716,465**	931,845
Net increase / (decrease) in cash	**9,126**	(10,305)
Cash and cash equivalents at beginning of year	**301,215**	311,520
Cash and cash equivalents at end of year	**310,341**	301,215

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised audited consolidated financial statements have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports applicable to summarised financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements. This report and the consolidated financial statements were compiled under the supervision of AM Basson CA(SA), the financial director and have been audited. The auditors, Deloitte & Touche, have issued their unmodified opinion on the Group's consolidated financial statements for the year ended 31 December 2015. A copy of their audit report and the financial statements are available for inspection at the Group's registered address. The audit was conducted in accordance with International Standards on Auditing. These preliminary summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent, in all material respects, with the group consolidated financial statements. This preliminary report has been audited by Deloitte & Touche and an unmodified audit opinion has been issued. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the accompanying financial information from SA Corporate's registered address.

Any reference to future financial performance included in this announcement, as well as related information which is not based on IFRS, has not been reviewed or reported on by the Group's auditors.

1. Reconciliation of profit after tax to headline earnings to distributable earnings attributable to shareholders

	Year ended 31.12.2015 Audited R000	CPS	Year ended 31.12.2014 Audited R000	CPS
Profit after taxation attributable to shareholders	**1,413,639**	**69.51***	967,180	48.64*
Adjustments for:				
Capital loss on disposal of investment properties	**16,178**		3,634	
Revaluation of investment properties and joint venture	**(576,913)**		(401,547)	
Gain on acquisition of subsidiary/joint ventures	**(30,079)**		(102,000)	
Headline earnings	**822,825**	**40.46***	467,267	23.50*
Antecedent distribution	**52,392**		-	
Interest rate swap derivatives restructure costs	**11,838**		-	
Depreciation	**1,186**		688	
Foreign exchange loss on capital loan	**44,269**		-	
Internalisation fee	**-**		185,000	
Non-distributable expenses	**20,518**		27,411	
Revaluation of interest rate swap derivatives	**(103,791)**		25,329	
Straight line rental adjustment	**3,667**		4,137	
Straight line expense rental adjustment	**30**		-	
Taxation	**443**		122	
Non distributable expenses on investment in joint ventures	**76**		-	
Distributable income attributable to shareholders	**853,453**	**39.57**	709,954	35.70
Interim	**398,049**	**19.66**	350,044	17.68
Final	**455,404**	**19.91**	359,910	18.02

* Calculated on weighted average number of shares in issue

2. Primary operational segments (R000)

Business segment	Industrial	Retail	Commercial	AFHCO	Group
Extract from statement of comprehensive income					
Revenue	565,256	687,870	144,409	217,014	1,614,549
Rental income (excluding straight line rental adjustment)	492,444	423,459	114,765	171,868	1,202,536
Net property expenditure	(47,650)	(26,539)	(21,646)	(46,628)	(142,463)
Property expenses	(128,227)	(290,194)	(50,154)	(89,568)	(558,143)
Recovery of property expenses	80,577	263,655	28,508	42,940	415,680
Net property income	444,794	396,920	93,119	125,240	1,060,073
Straight line rental adjustment	(7,765)	756	1,136	2,206	(3,667)
Net interest expense	-	-	-	-	(231,146)
Group expenses	-	-	-	-	(115,402)
Profit from joint ventures	-	-	-	-	9,130
Revaluation of interest rate swap derivatives	-	-	-	-	103,791
Taxation	-	-	-	-	46
Headline earnings	437,029	397,676	94,255	127,446	822,825
Other information					
Properties	4,379,606	4,970,084	1,052,838	1,778,098	12,180,626
Non-current investment property	4,293,339	4,544,321	1,015,509	1,778,098	11,631,267
At valuation	4,406,500	2,786,600	1,033,200	1,462,099	9,688,399
Straight line rental adjustment	(113,161)	(65,679)	(17,691)	(10,072)	(206,603)
Under development	-	1,823,400	-	326,071	2,149,471
Non-current investment property held for sale	86,267	425,763	37,329	-	549,359
Classified as held for disposal	86,000	430,200	37,500	-	553 700
Straight line rental adjustment	267	(4,437)	(171)	-	(4,341)
Additions and acquisitions	32,794	546,281	18,285	437,542	1,034,902
Acquisitions through business combination	-	-	-	378,433	378,433

Segmental growth rates (%)	Industrial	Retail	Commercial	Residential & other	Group
Rental income (excluding straight line rental adjustment)	7.1	5.3	(3.5)	221.3	16.3
Property expenses	10.4	(1.3)	2.3	154.1	12.9
Recovery of property expenses	12.5	1.3	0.3	133.9	9.7
Net property income	7.1	7.7	(5.3)	242.2	15.4

SA CORPORATE REAL ESTATE

PRELIMINARY SUMMARISED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

3. REIT conversion

During the year the Group converted from a Real Estate Investment Trust ("REIT") Trust to a corporate REIT. Effective 1 July 2015, SA Corporate Real Estate Fund ("the Fund"), disposed of all its assets and liabilities to SA Corporate Real Estate Limited ("the Company"). Unitholders in the Fund became the direct shareholders in the Company. The transaction was therefore treated as a reverse acquisition in terms of IFRS 3. The Group results contain the results of the Fund and its subsidiaries for the period 1 January to 30 June 2015 and the Company and its subsidiaries results for the period 1 July 2015 to 31 December 2015. The comparatives disclosed are those for the Fund in the prior year.

4. Significant transactions

During the year the Group acquired the following joint ventures:

Joint venture	Principal activities	Date of acquisition	Portion of ownership interest and voting rights	Consideration transferred R000
Ancona Mauritius Limited Premier LM&C Mauritius Limited Graduare Mauritius Limited	Holding company of property company earning net rental income	01.11.2015	50%	682,411

The Companies were acquired to enter the African market and thus further diversify the Group's property portfolio.

Assets acquired and liabilities recognised at date of acquisition:	**R'000**
Non-current assets	
Investment property	828,832
Property, plant and equipment	1,227
Non-current liability	
Borrowings	(126,642)

Gain on acquisition of joint venture:	**R'000**
Consideration	682,411
Less fair value of identifiable assets acquired and liabilities assumed	(703,417)
Gain on acquisition of joint ventures	(21,006)
Gain on acquisition of subsidiaries	(9,073)
Gain on acquisition of subsidiaries and joint ventures	(30,079)

The gain on acquisition of joint ventures arose mainly due to the saving on the acquisition of one of the seller's interest and the acquisition of the property, plant and equipment at no consideration.

This transaction resulted in a profit from joint venture of R47,563,606 with a corresponding foreign exchange translation income of R87,861,066.

5. 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.

This announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34. The full, consolidated financial statements are available on the Group's website, or at the Group's registered offices and upon request.

6. Events after the reporting period

The directors are not aware of any significant events, other than the distribution disclosed below, between the end of the financial year under review and the date of signature of these summarised financial statements.

DISTRIBUTION DECLARATION AND IMPORTANT DATES

Notice to shareholders resident South Africa

Notice is hereby given of the declaration of distribution no.2 in respect of the income distribution period 1 July 2015 to 31 December 2015. The distribution amounts to 19.91 cps. 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, shareholders 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 shares 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 shareholders 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 shareholder. These distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders have provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, in respect of certificated shares: 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 shareholders 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.

Notice to non-resident shareholders

Distributions received by non-resident shareholders 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 shareholder.

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 shareholders is 16.9235 cents per SA Corporate share. A reduced dividend withholding rate, in terms of the applicable DTA, may only be relied on if the non-resident shareholders has provided the following forms to the CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries, in respect of certificated shares: 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 shareholders 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. 2,287,303,520 SA Corporate shares are in issue at the date of this distribution declaration and SA Corporate's income tax reference number is 9179743191.

Last date to trade cum distribution	Wednesday, 16 March 2016
Shares will trade ex-distribution	Thursday, 17 March 2016
Record date to participate in the distribution	Thursday, 24 March 2016
Payment of distribution	Tuesday, 29 March 2016

Share certificates may not be dematerialised or re-materialised between Thursday, 17 March and Thursday, 24 March 2016 both days inclusive.

By order of the Board

SA Corporate Real Estate Limited

26 February 2016

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

B Swanepoel
Company Secretary
29 February 2016