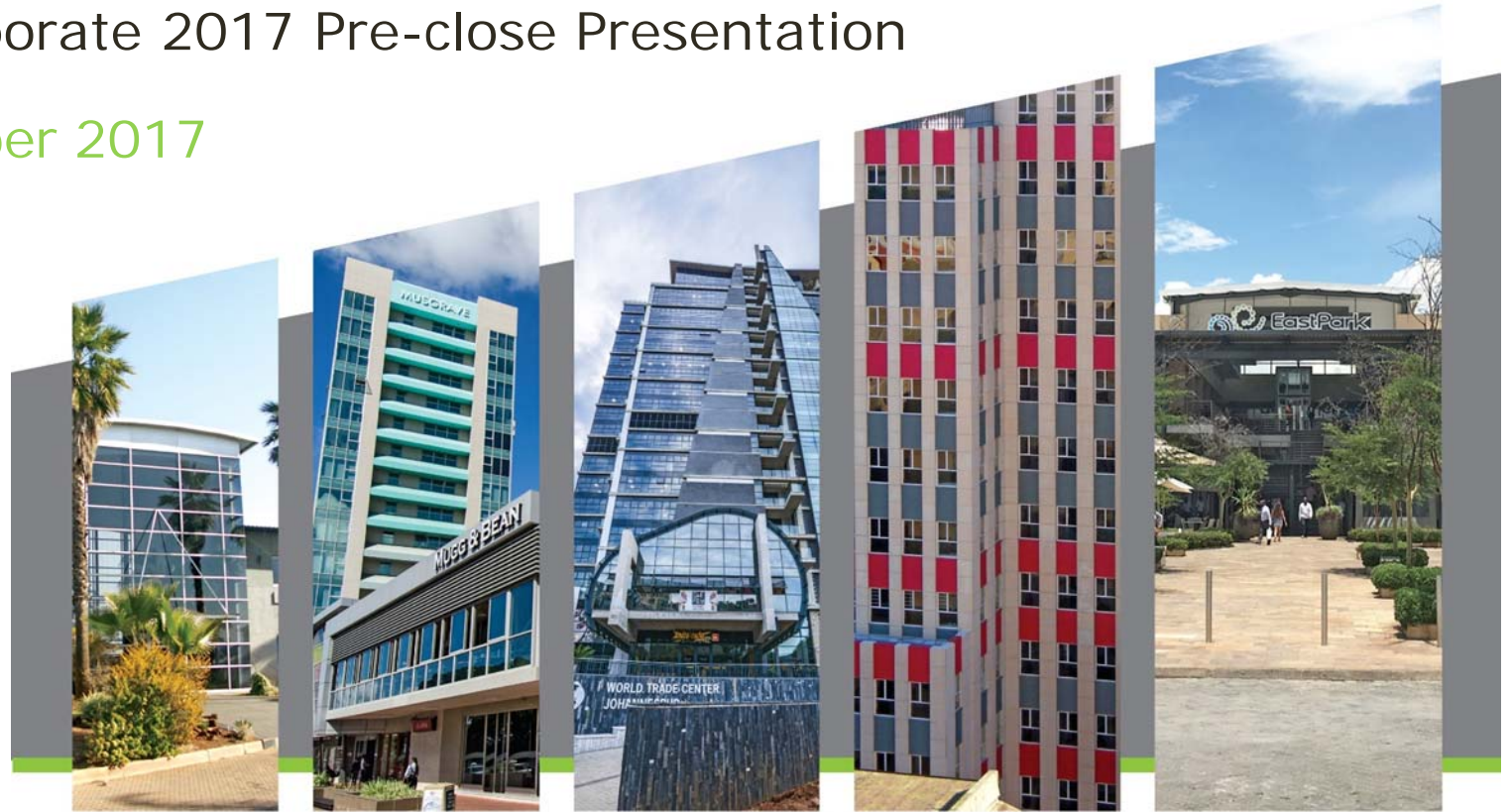
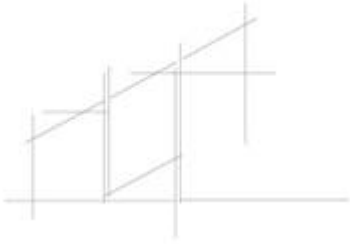


SA Corporate 2017 Pre-close Presentation

December 2017



INDUSTRIAL | RETAIL | OFFICE | RESIDENTIAL | REST OF AFRICA



Agenda

- Traditional Portfolio Performance
- Afhco Vacancy
- Afhco Suburban Residential Update
- Zambian JV Update
- Disposal of Properties
- Debt Refinance and Additional Debt
- Unfavourable Variance to 2017 Interim Results Guidance

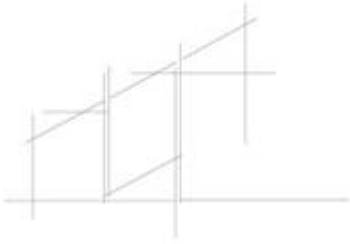
Disclaimer: Information in this presentation has not been reviewed or reported on by SA Corporate Real Estate Limited's auditors

Traditional Portfolio Performance

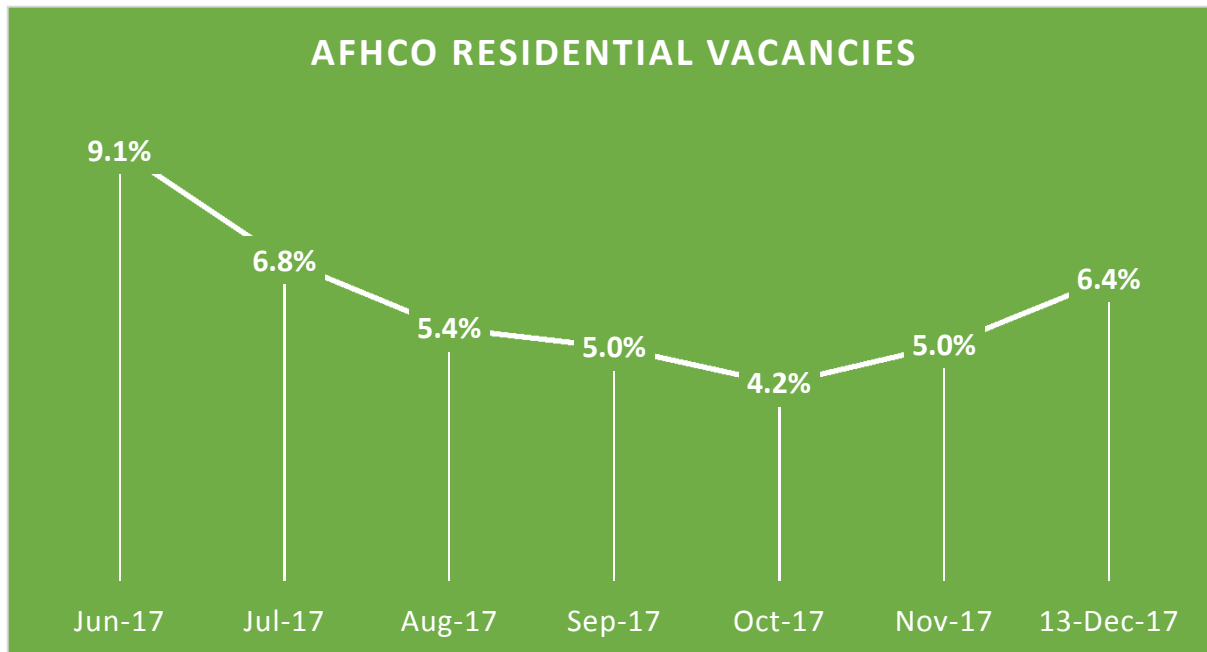
Sector	Vacancy 31 Dec 2016	Vacancy 30 Jun 2017	Anticipated Vacancy 31 Dec 2017	Comments
Industrial	1.09%	1.59%	1.60%	21 Pomona sold, will reduce vacancy to 0.92%
Office	8.77%	6.72%	6.77%	Vacancy reduction is as a result of redevelopment of vacant Midrand property and leasing of vacant space in Bloemfontein and Westville
Retail	4.50%	3.89%	2.50%	Strong demand in LFL portfolio, especially in neighbourhood and convenience assets

Sector	Retention Rate 31 Dec 2016	Retention Rate 30 Jun 2017	Anticipated Retention Rate 31 Dec 2017	Comments
Industrial	75.70%	82.10%	85.00%	Continued strong tenant retention, 21% expired in 2017
Office	88.20%	79.30%	60.00%	26% expired in 2017
Retail	79.60%	92.00%	80.00%	Redeveloped and refurbished centres continue to contribute to strong retentions

Sector	Renewal Reversion 31 Dec 2016	Renewal Reversion 30 Jun 2017	Anticipated Renewal Reversion 31 Dec 2017	Comments
Industrial	-1.90%	0.40%	-2.00%	Continued trend of negative renewal reversions in industrial sector
Office	-0.70%	-10.50%	-14.00%	Mainly attributable to Worley Parson renewal in Bellville which is in a residential area and negative reversions at GreenPark Corner, Morningside
Retail	6.00%	6.60%	6.50%	Redevelopment, refurbishment and robust demand for convenience offer has supported reversions.



Afhco Residential Vacancies



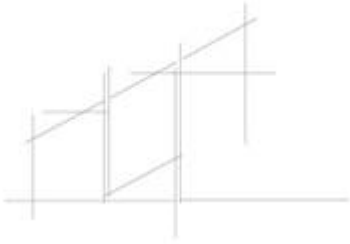
Afhco year-end promotion

Stand a chance to WIN a brand new KIA PICANTO 1.0 START worth R135 000 and FREE parking for as long as you stay with Afhco.
**Existing tenants automatically qualify.*
Terms and Conditions apply

STAY WITH AFHCO AND WIN A NEW KIA PICANTO
and a share of R5000 in weekly prices

SIGN UP WITH AFHCO TODAY!
Contact 08600 11 111 or email flatstolet@afhco.co.za to find out how.

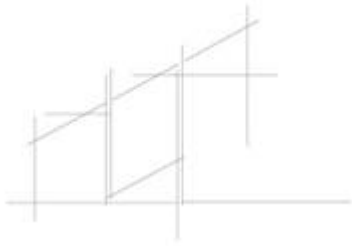
afhco.co.za



Afhco Suburban Residential Update

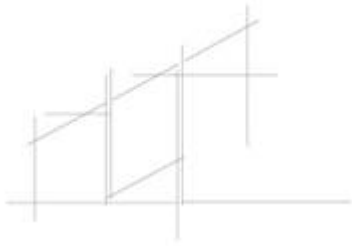
	30 Jun 2017	30 Nov 2017	2018	2019
Units Acquired / to be Acquired in Period	907	490	3 052	460
Total Units	907	1 397	4 449	4 909

Suburban Vacancy = 3.1%



Zambian JV Update

- Vacancy = 3.9%
(East Park Mall = 140m² , Jacaranda mall = 941m² , Acacia Office park = 1 338m²)
- Lease Escalations (US\$) = circa 3%
- Renewal Reversions (US\$) = 1% to 3%
- 15 150 m² extension of East Park Mall in detailed design and leasing

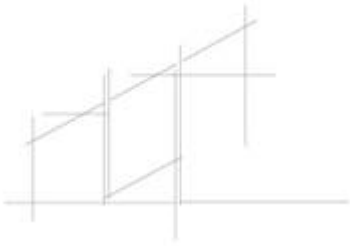


Disposal of Properties

- Disposal strategy of divesting from poor quality industrial properties and from properties with re-tenanting risk.
- Disposal strategy includes divesting from properties where significant negative renewal reversions are anticipated – sales to owner occupiers and to developers who have the appetite to undertake industrial property development without committed tenants.
- Disposal of retail properties which are small centres located in secondary nodes to their primary tenants with limited prospects for growth.

Contracted and conditional disposals:

- 2 hospitals at blended exit yield of 8.77% - total value R165mil
- 7 industrial properties at blended exit yield of 8.77% - total value R340mil
- 2 retail properties at blended exit yield of 8.62% - total value R139mil

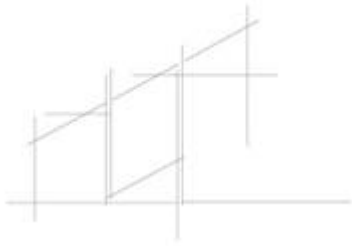


Debt Refinance and Additional Debt

New R2bn facility

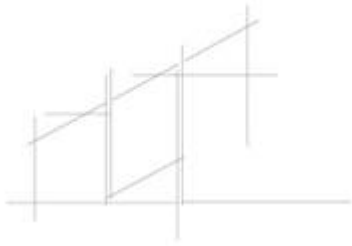
Amount	Tenor	Margin
500	3	1.82%
500	4	1.95%
1,000	5	2.01%
2,000	4.3	1.95%

The R2bn debt relates to the refinance of the 3 year R1.1bn facility which expired 11 December 2017, also included is an additional facility of circa R900m to fund acquisitions / developments.



Unfavourable Variance to 2017 Interim Results Guidance

Detail	Impact
Nukerk vacant (sale required vacant occupation) for three months due to JOSHCO renegeing on sale. Claiming loss of income from JOSHCO (not provided for) & building is being redeveloped for student accommodation for take-up commencing mid January 2018	R2.2mil
Textile House and African Diamond transfer delayed by 2 months resulting in 2 month additional loss of income.	R1.3mil
Delays in accretive acquisitions	R1.0mil
Afhco additional rental discounting	R2.5mil
Commercial negative rental reversions greater than forecast	R1.0mil
Additional Industrial vacancies	R1.0mil
Reversal of SARS VAT attribution settlement offer	R3.4mil
Zambian JV delay in leasing of Cashbuild at Jacaranda Mall	R0.5mil
Total	R12.9mil



Q & A