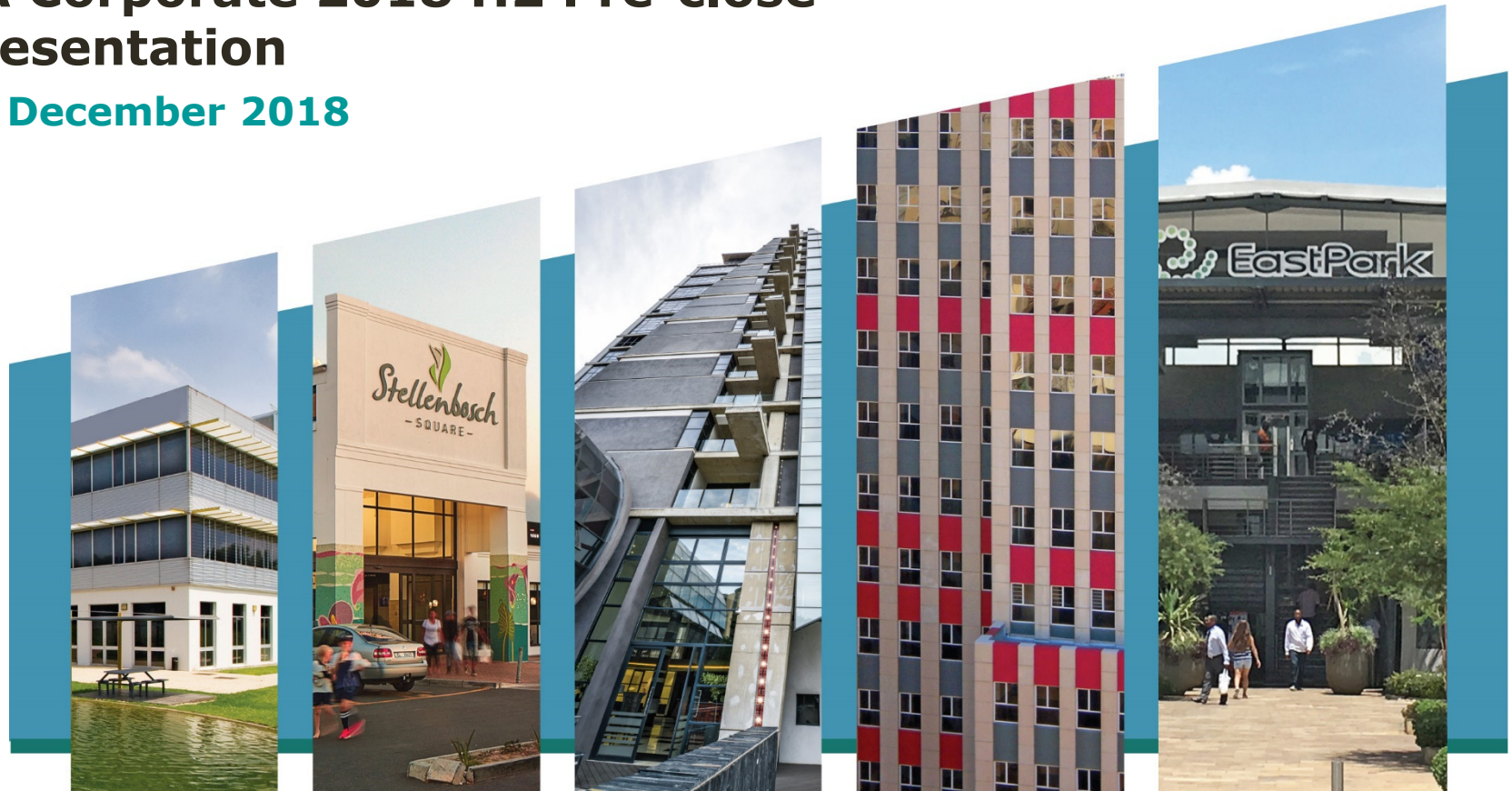


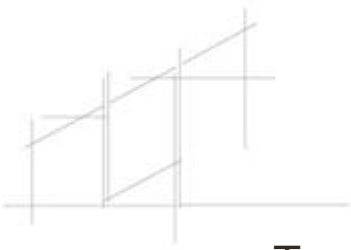


SA Corporate 2018 H2 Pre-close Presentation

13 December 2018



INDUSTRIAL | RETAIL | OFFICE | RESIDENTIAL | REST OF AFRICA



Agenda

- Traditional Portfolio Performance Update
- Afhco Portfolio Performance Update
- Zambian JV Performance Update
- Disposal of Properties
- Morning Glen Redevelopment
- Edcon Risk Mitigation
- Afhco Residential Pipeline Update
- Anticipated Additional Detractors to 2018 H2 Prospects Subsequent to Interim Results
- Prospects
- Q & A

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

Traditional Portfolio Performance Update

Sector	Vacancy 31 Dec 2017	Vacancy 30 Jun 2018	Anticipated Vacancy 31 Dec 2018	Comments
Industrial	1.5%	1.2%	0.7%	Vacancies below industry average - competitive rentals with -ve reversions & divestment of poorer quality properties.
Office	6.4%	5.7%	6.0%	Portfolio vacancies contained by slight vacancy reduction at GreenPark Corner - aggressive campaigns & attractive rentals. Strategy remains to reduce Commercial exposure.
Retail	3.1%	3.5%	4.2%	Increased vacancy in East Point, Morning Glen & Kempton Park. East Point food court redevelopment tenancy & Morning Glen redevelopment tenancies well advanced.
Sector	Retention Rate 31 Dec 2017	Retention Rate 30 Jun 2018	Anticipated Retention Rate 31 Dec 2018	Comments
Industrial	83.9%	70.8%	90.1%	Continued strong tenant retention with 20.5% of GLA having expired in 2018.
Office	58.4%	85.5%	75.2%	Improved retention in H2 as a consequence of competitive rentals.
Retail	79.9%	86.2%	85.3%	Redeveloped and refurbished centres continue to contribute to strong retentions
Sector	Renewal Reversion 31 Dec 2017	Renewal Reversion 30 Jun 2018	Anticipated Renewal Reversion 31 Dec 2018	Comments
Industrial	-2.4%	-3.1%	-12.0%	Continued trend of -ve renewal reversions in the industrial sector in order to retain blue chip tenants.
Office	-12.3%	-8.5%	-2.4%	+6% renewal reversion at 12 Sookhai Place, Westville & lower -ve renewal reversions at Green Park Corner.
Retail	5.5%	2.6%	-7.1%	Game downsizing @ East Point accompanied with -18% rental reversion after escalating at 7% for 10 years. Excluding Game downsizing, rental reversion is +1.4%.

Afhco Portfolio Performance Update

Sector	Vacancy 31 Dec 2017	Vacancy 30 Jun 2018	Anticipated Vacancy 31 Dec 2018	Comments
Residential	7.3%	9.4%	18.0%	Includes Calgro M3 units in tenanting phase.
	5.7%	5.6%	7.9%	Excluding development units in tenanting phase and reflecting the anticipated increase over the festive season.
Retail	2.1%	4.5%	4.2%	Vacancy largely represents low value first floor space and in low rental precincts.

Average Residential Rental increases

5.0%

Robust increases subsequent to rebasing rentals in 2017

Sector	Anticipated Escalation 31 Dec 2018	Anticipated Retention Rate 31 Dec 2018	Anticipated Renewal Reversion 31 Dec 18	Comments
Retail	8.9%	64%	8.5%	Reflects continued demand for and growth of inner-city retail.

Zambian JV Performance Update

Property	Vacancy 31 Dec 2017	Vacancy 30 Jun 2018	Anticipated Vacancy 31 Dec 2018	Comments
EPM	0.4%	0.5%	0.9%	Consistent low vacancy due to high demand for increasingly dominant retail node
Acacia	10.6%	8.6%	0%	FNB extended existing lease to incorporate vacant GLA
Jacaranda	6.4% (16% - June 2017)	8.8%	8.5%	2016 Edcon vacancy partially filled by Cashbuild & other tenants
Property	Retention Rate 31 Dec 2017	Retention Rate 30 Jun 2018	Anticipated Retention Rate 31 Dec 2018	Comments
EPM	100%	100%	100%	High retention due to attractiveness of increasingly dominant retail node
Acacia	41%	100%	100%	Improved retention in 2018 as a consequence of competitive rentals
Jacaranda	100%	100%	100%	Improved tenant mix contributing to strong tenant retention
Property	Renewal Reversion 31 Dec 2017	Renewal Reversion 30 Jun 2018	Anticipated Renewal Reversion 31 Dec 2018	Comments
EPM	3%	0.8%	0.8%	US\$ renewal reversion marginally below US inflation but combined with escalation is achieving <i>circa</i> US inflation
Acacia	3%	0%	-25%	-ve renewal reversion primarily in respect of further GLA let to FNB
Jacaranda	0%	5%	5%	High renewal reversion achieved on single lease as a consequence of improved tenant mix



Disposal of Properties

- Continued strategy of divesting from the commercial sector as well as poor quality industrial properties with re-tenanting risk:
- 14 properties are in various stages of divestment:

Status	No. of Properties	Sale Consideration	Exit Yield
Total	14	R656.5 million	8.6%
Transferred	10	R415.3 million	8.7%
Unconditional	3	R214.1 million	8.4%
Conditional	1	R27.1 million	9.3%

Morning Glen Redevelopment

- Food Lovers Market secured as further grocer anchor
- Pick n Pay upgrade and downsizing agreed
- Re-tenanting of redevelopment well advanced
- Redevelopment including access improvements, improved vertical circulation, new facades & internal finishes to commence in mid January 2019
- Town planning well advanced for residential development on available bulk



Edcon Risk Mitigation

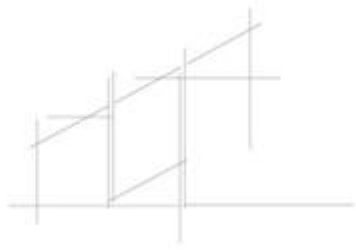
Redevelopment of 51 Pritchard Street

- Negotiated downsizing of Edgars from 14,000m² to 4,300m² on first floor
- First floor and lower level served by escalators in vertical circulation node upon entering the building
- Shoprite (3,400m²) secured to anchor ground floor
- Additional line shop tenants to be procured for upper basement
- Negotiated gym of 1,600m² and storage on basement level

Remaining exposure to Edcon

- 5,315m² in South African retail portfolio
- 3,413m² in Zambian retail portfolio, in which SAC has 50% interest
- 0.46% of total SAC GLA (excluding 51 Pritchard)





Afhco Residential Pipeline Update

Negotiated cancellation of Fleurhof acquisition of R162m.

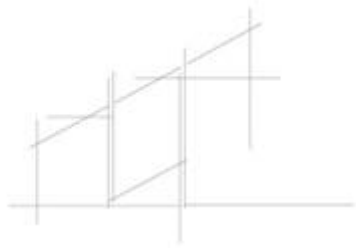
Etude phases 1, 2 & 3 acquisition cancelled but retaining phases 4, 5 & 6. Acquisition value reduced from R252m to R165m.

Scottsdene roll-out on hold.

	31 Dec 2018	30 June 2019	31 Dec 2019	2020+
Units Acquired / to be Acquired in Period	1,521	631	648	245
Total Units	8,930	9,561	10,209	10,454

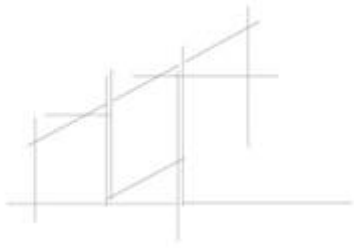
Anticipated additional Detractors to 2018 H2 Prospects Subsequent to Interim Results

Item	Negative Impact	Comments
Back Dated Utility Charges	-R1.6 million	Previous year electricity back charges at Montana Crossing
Decline in Parking Income	-R1.0 million	Decline in income at Musgrave and Morning Glen
Retail Bad Debts higher than forecast	-R3.5 million	Increase in delinquent tenants
Slower take up of Retail vacancies at Musgrave	-R1.8 million	Non take-up of 1,500m ² at Musgrave
Slower take up and increased Retail vacancy	-R2.5million	Slow take up due to current economic status
Retail t/o rental decline	-R1.6 million	Worsened trading conditions
East Point food court vacancy preceding redevelopment	-R3.0 million	In preparation for multi-national sports retailer
Morning Glen vacancy preceding redevelopment	-R1.0 million	Redevelopment as presented earlier
Safari's decline in distribution	-R3.8 million	Safari distribution reduced from 6% growth to 2% decline
Additional Afhco, primarily Retail, bad debt provision	-R3.3 million	Subsequent to review, IFRS 9 adoption still in process
Additional Zambian JV bad debt provision	-R4.0 million	Subsequent to review, IFRS 9 adoption still in process
Total	-R27.1 million	



Prospects

- Additional detractors subsequent to Interim Results to result in poorer H2 performance
- Substantial negative industrial renewal reversions and poorer retail performance to affect 2019 prospects



Q & A