



A LEADING PORTFOLIO



AUDITED
RESULTS
for the year ended
31 March

2015

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ACCELERATE AT A GLANCE

ACCELERATE AT A GLANCE AS AT 31 MARCH 2015



Property portfolio	Asset value: R6,77bn	Listing classification	REIT
Strategic nodes	Fourways Precinct: 163 246 m ² Charles Crescent – Kramerville: 38 829 m ² Foreshore – Cape Town: 28 044 m ² Somerset West – Cape Town: 19 263 m ²	Entity structure	<ul style="list-style-type: none"> • Internal asset management function • External property management function (1% management fee) for 10 years
GLA	467 208m ²	Market cap	R4,67bn
Occupancy	92,5%*	Yield**	7,3%
WALE (gross income)	2,9 years	Cost of funding	Weighted average cost of funding 7,35%
Portfolio split by value	Retail: 77,98% Specialised Retail: 4,38% Office: 13,48% Industrial: 4,16%	Debt	Weighted average term: 2,9 years Total debt: R2,4bn LTV: 35,0% ICR: 2,6x
Tenant profile by % of revenue	A – Large National: 51,78% B – National Listed / Franchises: 20,13% C – Other: 28,09%	Hedging	87,7% of debt hedged Weighted average term: 2,4 years

* Excludes structural vacancies

** Actual Yield for the year ended 31 March 2015, calculated on a share price of R6,75



HIGHLIGHTS FOR THE PERIOD UNDER REVIEW



HIGHLIGHTS FOR THE PERIOD UNDER REVIEW



Distribution to shareholders	Forecast distribution: 49,19c per share Actual distribution: 49,21c per share
KPMG deal	Acquisition of KPMG head office and regional offices for R850 million Yield: 8%, 15-year triple net lease*
Selected capex spend	Capex spend on: <ul style="list-style-type: none">- Bosveld Bela Bela centre R44,2 million- Thomas Patullo building Cape Town R42,5 million
Launch of Domestic Medium Term Note Programme	First issuance September 2014 significantly oversubscribed In total R701 million debt raised via the capital markets
Return on equity	37,8% (excl. current distribution) 47,8% (incl. current distribution)
Extension of swap maturities	Existing swap maturities extended by approximately two years*

* Executed post year-end



FINANCIAL OVERVIEW



STATEMENT OF FINANCIAL POSITION



Statement of financial position	31 March 2015 (R'000)	31 March 2014 (R'000)
ASSETS		
Non-current assets	6 874 824	6 228 588
Investment property	6 803 437	6 096 790
Derivative financial instruments	71 153	131 709
Equipment	234	89
Current assets	229 476	176 694
Trade and other receivables	170 659	119 051
Cash and cash equivalents	58 817	57 643
Investment property held for sale	28 420	66 866
Fair value of investment property assets	28 420	66 866
Total assets	7 132 720	6 472 148
EQUITY AND LIABILITIES		
Shareholders' interest	4 604 143	3 771 961
Share capital	3 422 723	3 117 914
Retained earnings	1 181 420	654 047
Total equity	4 604 143	3 771 961
Non-current liabilities	2 201 394	2 240 060
Long-term borrowings	2 155 158	2 030 276
Contingent liability on conditional purchase costs	46 236	209 784
Current liabilities	327 183	460 127
Trade and other payables	88 327	101 843
Short-term portion of long-term borrowings	238 856	358 284
Total equity and liabilities	7 132 720	6 472 148

High level overview of performance

- **Investment property:**
The Fund's 52 properties were valued at R6,77bn
- Invested R86,7m in developing Bela Bela and Thomas Patullo
- The Willows Shopping Centre was sold for a net consideration of R77,1m (R12,1m profit)
- **Contingent purchase consideration:**
The Fund paid R163m of the potential R209m purchase consideration
- **Current portion of long-term debt:**
Re-financed short-term debt as at 31 March 2014 (R358m) through the debt capital markets

STATEMENT OF COMPREHENSIVE INCOME



Statement of comprehensive income (R'000)	31 March 2015 (R'000)	31 March 2014 (R'000)
Revenue, excl. straight-line rental revenue adjustment	699 696	204 844
Straight-line rental revenue adjustment	49 116	16 457
Revenue	748 812	221 301
Property expenses	(205 750)	(65 695)
Net property income	543 062	155 606
Other operating expenses	(36 317)	(8 356)
Operating profit	506 745	147 250
Fair value adjustments	381 008	455 391
Other income	465	48
Profit on disposal of asset	12 104	-
Finance income	12 743	1 607
Profit before long-term debt interest and taxation	913 065	604 296
Long-term debt interest	(172 016)	(51 485)
Profit before taxation	741 049	552 811
Taxation	-	-
Profit after taxation attributable to equity holders	741 049	552 811
EARNINGS PER SHARE		
Basic earnings per share (cents)	112,49	287,10
Diluted earnings per share (cents)	111,25	269,00
Headline earnings per share (cents)	54,65	50,59
Diluted headline earnings per share (cents)	54,05	47,41
DISTRIBUTABLE EARNINGS		
Profit after taxation attributable to equity holders	741 049	552 811
Less: straight-line rental revenue adjustment	(49 116)	(16 457)
Less: fair value adjustments	(381 008)	(455 391)
Add: antecedent distribution Checkers acquisition	4 200	0
Less: profit on sale of property	(12 104)	0
Distributable earnings	303 021	80 963
Distribution per share (cents)	49,21	13,77

High level overview of performance

- Revenue: R699,6m, which comprises net base rentals of R528,6m and R171m of operating expense recoveries
- Property expenses: primarily comprised utility charges (R141m), security costs (R23,4m), repair and maintenance (R16,4m) and cleaning costs (R10,3m)
- Fair value adjustments: R60,5m decrease in the fair value of the interest rate swap
- R441,6m increase in the fair value of investment properties

* Note: the above distribution per share does not include 51 070 184 shares which do not qualify for distribution, as the distribution was ceded to the Fund, until the earlier of 5 years or such time that the bulk is developed

CURRENT VS FORECAST DISTRIBUTION BUILDUP



	Actual 31 March 2015 (R'000)	Adjusted forecast for the year ending 31 March 2015 (R'000)	Forecast per PLS for the year ending 31 March 2015 (R'000)
Distributable earnings	303 020	302 924	289 677
Less: interim distribution	141 555	141 555	141 555
Final distribution	161 465	161 369	148 122
Shares qualifying for distribution			
Number of share at year-end	691 423 255	691 423 255	638 688 811
Less: bulk ceded shares to Accelerate	(51 070 184)	(51 070 184)	(49 844 500)
Shares qualifying for distribution	640 353 071	640 353 071	588 844 311
Distribution per share			
Final distribution per share (cents)	25,22	25,20	25,15
Interim distribution per share made (cents)	23,99	23,99	24,04
Total distribution per share for the year (cents)	49,21	49,19	49,19

- Forecast and adjusted forecast distribution achieved
- Equity issuances not dilutive

VALUE CREATION AND KEY RATIOS

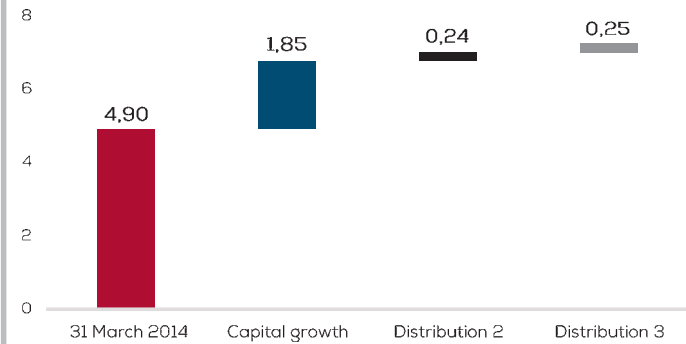


Return on equity	Rands	Growth
Share price		
Share price 31 March 2014	4,90	
Share price growth	1,85	
Closing share price 31 March 2015	6,75	37,8%
Distribution		
Distribution 31 March 2015	0,49	10,0%
Total return	7,24	47,8%

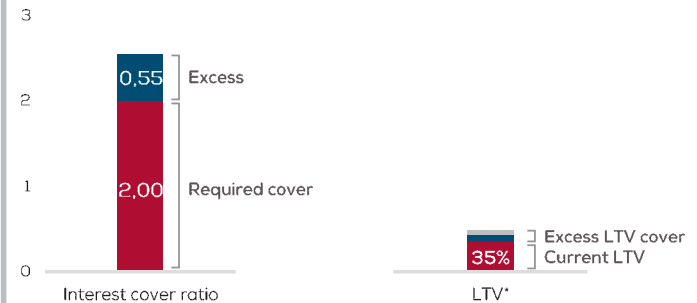
Return on equity from 1 April 2014 to 31 March 2015 was 37,8% (excluding current distribution); 47,8% (including current distribution)

Key ratios	31 March 2015		31 March 2014 (110 days)
Interest cover ratio	2,55	↑	2,54
Loan to value	35,04%	↓	38,8%
Net cost-to-income ratio	13,44%	↓	18,6%
Net asset value (Rbn)	4,6	↑	3,77
Market cap (Rbn)	4,67	↑	3,13
Senior Secured Rating	AA- (za)		-
Senior Unsecured Rating	BBB+ (za)		-

Shareholder value creation



Key ratios



* Senior secured LTV covenant: 45%; Senior unsecured LTV covenant: 50%



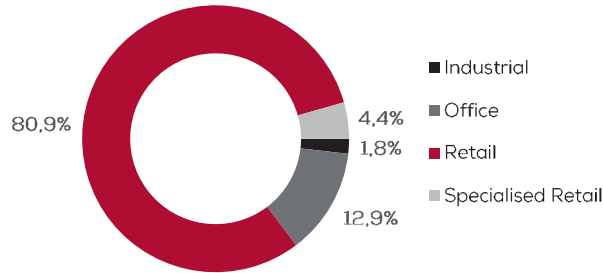
PROPERTY PORTFOLIO



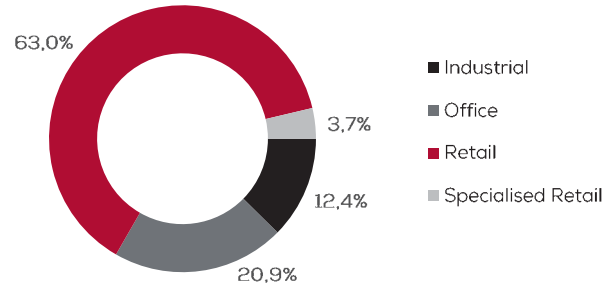
SECTOR AND GEOGRAPHIC SUMMARY



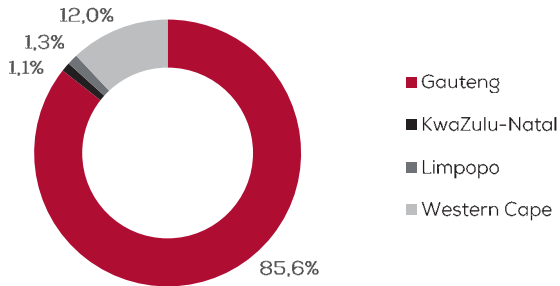
Sector profile by revenue



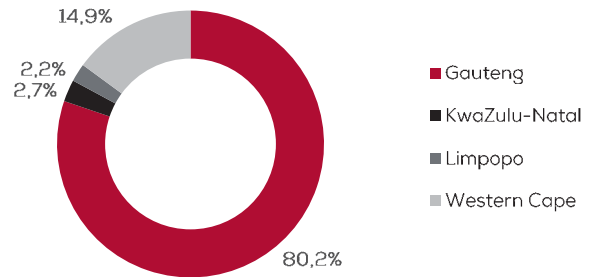
Sector profile by GLA



Geographic profile by revenue



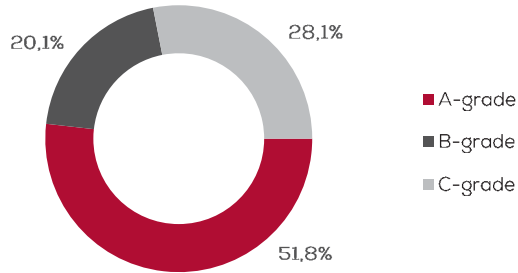
Geographic profile by GLA



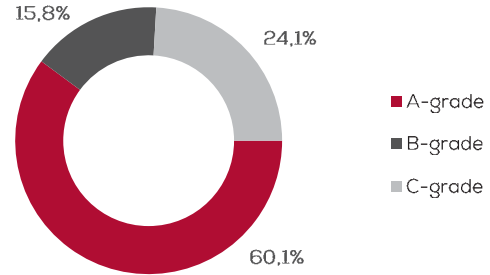
TENANT PROFILE



Tenant profile by revenue



Tenant profile by GLA

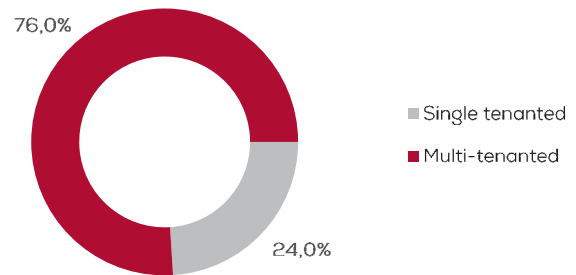


A: Large national tenants, large listed tenants and major franchises, including, inter alia, Absa, ADT, Capitec, Dis-Chem, Edgars, FNB, Foschini, Jet Stores, Makro, Massmart, Medscheme, Nedbank, OK Furnishers, Pepkor, Pick n Pay, Shoprite, Standard Bank, Woolworths

B: National tenants, listed tenants, franchises and medium to large professional firms, including, inter alia, Fishmonger, KFC, Mugg & Bean, Nando's, Spur, Steers, Wimpy

C: Other

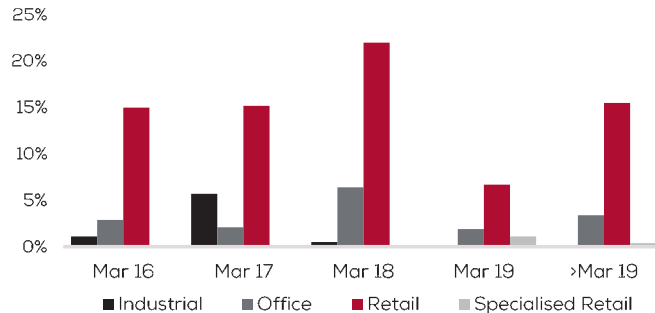
Single vs multi-tenanted by GLA



LEASE EXPIRY PROFILE, ESCALATIONS & DEBTORS AGEING



Lease expiry profile by gross rental



Tenant arrears at 31 March 2015

Tenant arrears (Rm)	Current	30 days	60 days	90 days	120+ days	Total
Gross	7,69	5,79	4,91	1,18	3,23	22,8
Percentage	34%	25%	22%	5%	14%	100%
Provision for doubtful debt 31 March 2015						(1)
Net debtors book						21,14

Contractual escalations

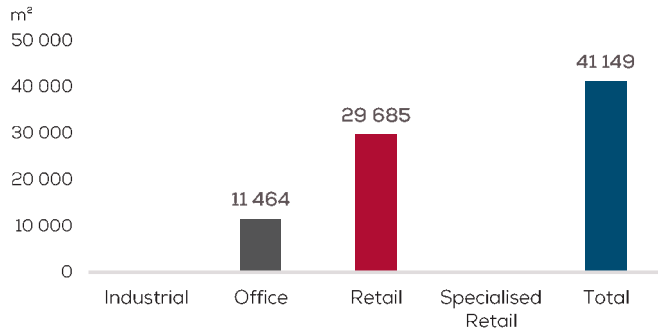
Sectoral type	31 March 2015		31 March 2014
Industrial	8,93%	↑	6,82%
Office	7,78%	↓	8,06%
Retail	8,58%	↑	8,46%
Specialised Retail	8,06%	↓	8,59%
Total portfolio	8,46%	↑	8,35%



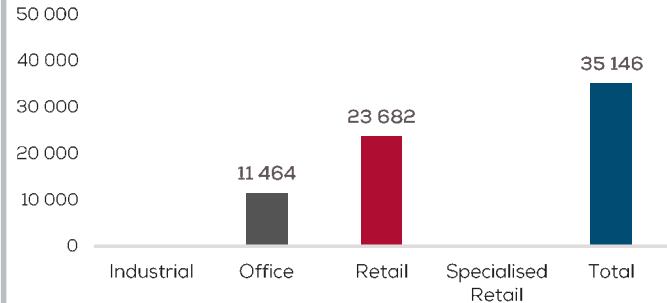
VACANCY PROFILE



Vacancies as at 31 March 2015



Vacancies as at 31 March 2015 (net of structural vacancies)



Sectoral type	31 March 2015	31 March 2014
Industrial	0,0%	0,0%
Office	11,72% ↓	18,1%
Retail	10,09% ↑	9,0%
Specialised Retail	0,0%	0,0%
Total portfolio	8,81% ↓	10,0%

Sectoral type	31 March 2015
Industrial	0,0%
Office	11,72%
Retail	8,05%
Specialised Retail	0,0%
Total portfolio	7,52%

Retail vacancies have remained relatively constant, while office vacancies have decreased significantly primarily due to the agterskot vacancies filled



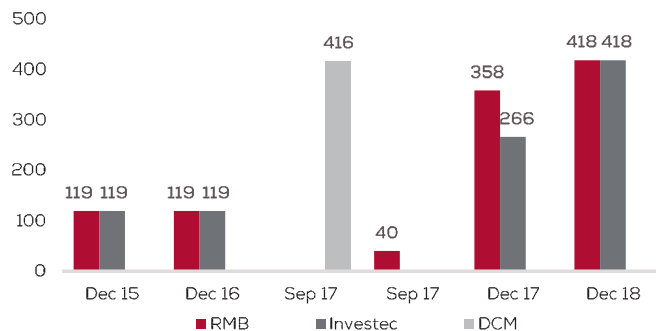
CAPITAL STRUCTURE



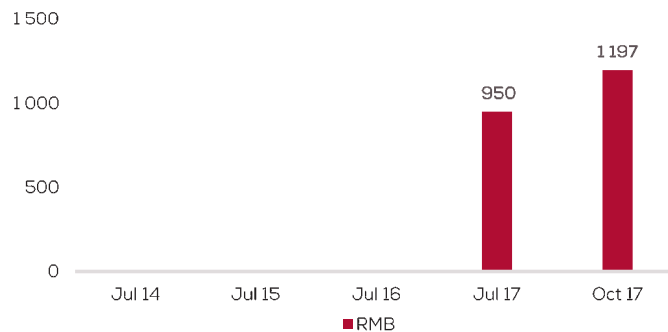
LONG-TERM DEBT



Long-term debt funding buckets (Rm)



Interest rate swap maturity buckets (Rm)



Long-term debt allocation

	31 March 2015 (Rm)		31 March 2014 (Rm)*	
		%		%
Bank funding				
Debt capital markets	416	17,4%	-	-
Bank funding	1 978	82,6%	2 389	100,0%
Total	2 394	100,0%	2 389	100,0%
Weighted average debt term (years)	2,9		3,1	
Short-term portion of debt	239	10,0%	358	15%
Debt hedged	2 147	87,7%	2 147	89,9%
Weighted average swap term (years)	2,2		3,2	
Blended interest rate*		7,35%		7,1%
Interest cover ratio (x)	2,55		2,54	
Loan to value		35,0%		38,8%

* Includes the effect of the interest rate swap

On 1 April 2015 the swap maturity profile was extended to 31 March 2019 from July/October 2017. The swap nominal amount reduces on a stepped profile from R2,1 billion to R1,6 billion over the term of the swap, with the fixed rate for the 2016 financial year at 5,5%



AGTERSLOT AND VACANCY GUARANTEE



AGTERSKOT AND VACANCY GUARANTEE



Vacancy profile		31 March 2015	31 March 2014
Portfolio	GLA (m ²)	467 208	450 240
	Vacancy in GLA (m ²)	41 149	45 090
	Vacancy (%)	↓ 8,81%	10,01%
Agterskot	GLA relating to agterskot	5 949	20 203
	Percentage of GLA (%)	↓ 1,27%	4,49%
Vacancy guarantee	Vacant GLA covered by guarantees	6 014	6 067
	Percentage of GLA (%)	1,2%	1,35%
Structural vacancies	Structural vacancy GLA (m ²)	6 003	
	Percentage of GLA (%)	1,29%	

Agterskot shares issued

Overview:

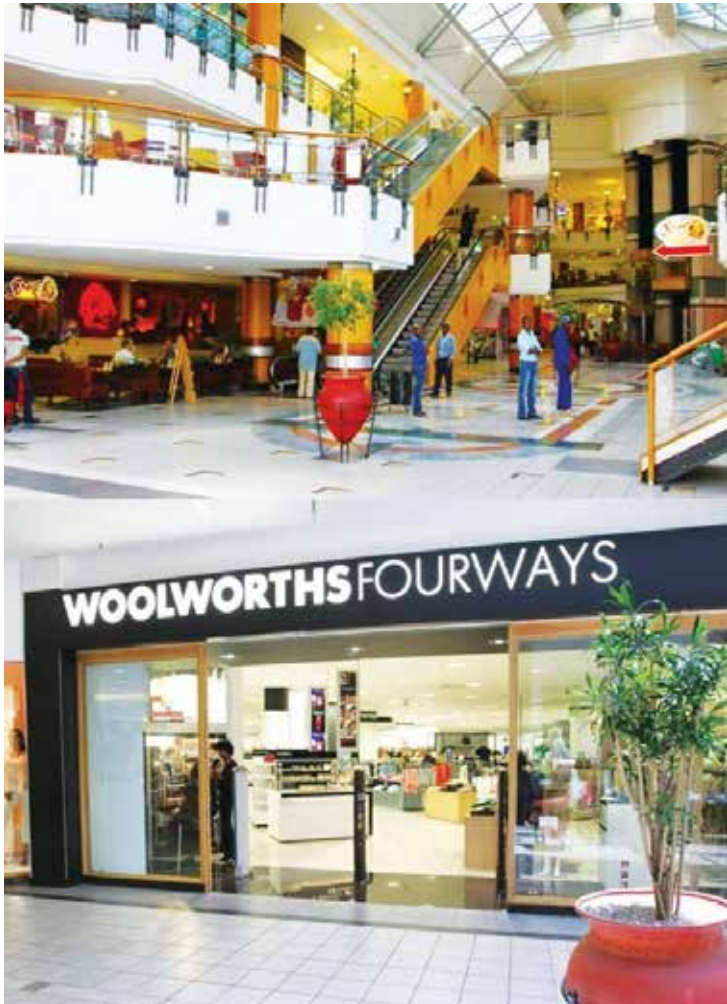
- New shares issued to the Michael Family Trust for vacancies filled in accordance with the Conditional Deferred Purchase Agreement

Details of the issuance:

- Number of shares issued: 29 890 954
- Rand value of transaction: R163m

Performance impact on portfolio:

- Forward yield of the underlying leases is 10,44%
- Share issuance was non-dilutive



UPDATE ON FOURWAYS MALL DEVELOPMENT AND REFURBISHMENT



UPDATE ON FOURWAYS MALL DEVELOPMENT AND REFURBISHMENT



Funding	Credit-approved term sheets for funding signed between Fourways Precinct and Financial Institutions for full funding requirement
Anticipated commencement date	Imminent
Anticipated build time	Approximately 3 years
Refurbishment commencement date	Imminent
Tender	Tender for earthworks and main contractor to be issued (June 2015)
Option	Option price being re-negotiated





CAPEX SPEND



CAPEX SPEND – THOMAS PATULLO AND BELA BELA



Refurbishment of Thomas Patullo

Rationale

Strategic node with new long-term lease with Bytes Technology (5 year lease)

Cost:

R42m

Scope of work

External facade, re-configuration of interior and parking



Upgrade of existing Bela Bela Shopping Mall

Rationale

Driven by tenant demand (Woolworths Clothing), strong anchor tenants (Pick n Pay, Nedbank and Absa) and good location

Cost to date

R45m

Scope of work

Refurbishment and extension of mall by approximately 6 000m²

PLANNED CAPEX SPEND



Fourways View

Scope

Material upgrade to existing centre, including tiling, painting, shop fronts and lighting

Approximate cost

R10m

Timing

2016 financial year



Cedar Square

Scope

Extension at Woolworths; upgrade of facade

Approximate cost

R79m

Timing

2016 financial year



KPMG ACQUISITION



Portfolio

6 A-grade offices, including KPMG head office

Single tenant

KPMG

Acquisition price

R850m

Lease

15 years triple net

Escalation rates

Years 1-12: 8%

Year 13 reverts to market less 10%

Yield (year 1)

8%

Finance

Fully financed by Standard Bank

Transaction concluded May 2015





ANNEXURE 1: BREAKDOWN OF PORTFOLIO



TOP 5 PROPERTIES



Top 5 retail properties by value

Property name	Region	Value	GLA
Fourways Mall Shopping Centre	Gauteng	2 273 779 706	61 480
Cedar Square (incl. bulk value)	Gauteng	883 390 000	46 025
Fourways View	Gauteng	318 970 000	12 962
The Buzz Shopping Centre (incl. bulk value)	Gauteng	273 950 000	14 291
Leaping Frog	Gauteng	157 198 655	11 139
Total		3 907 288 361	134 758

Top 5 office properties by value

Property name	Region	Value	GLA
1 Charles Crescent	Gauteng	126 421 628	13 273
Oceana House	Western Cape	131 100 000	7 227
Primovie Office Park	Gauteng	106 595 823	17 364
Flora Office Park	Gauteng	79 237 117	14 673
Thomas Patullo	Western Cape	78 983 605	4 965
Total		522 338 173	57 502



ANNEXURE 2: CORPORATE GOVERNANCE



DIRECTORS, KEY MANAGEMENT AND BOARD COMMITTEES



Non-executive directors

Mr Tito Mboweni	(56)
Dr Gert Cruywagen	(59)
Mr John Doidge	(66)
Mr Tim Fearnhead	(67)
Ms Kolosa Madikizela	(35)
Prof. Francois Viruly	(54)

Executive directors

Mr Michael Georgiou	(45)
Mr Andrew Costa	(44)
Mr Dimitri Kyriakides	(60)
Mr John Paterson	(41)

Audit and risk committee

Mr Tim Fearnhead (Chairman)
Mr Gert Cruywagen
Ms Kolosa Madikizela

Social and ethics committee

Ms Kolosa Madikizela (Chairperson)
Prof. Francois Viruly
Mr John Doidge

Investment committee

Mr Gert Cruywagen (Chairman)
Mr Tito Mboweni
Prof. Francois Viruly

Remuneration committee

Mr John Doidge (Chairman)
Mr Tito Mboweni
Mr Tim Fearnhead

Nominations committee

Mr Tito Mboweni (Chairman)
Mr John Doidge
Mr Tim Fearnhead

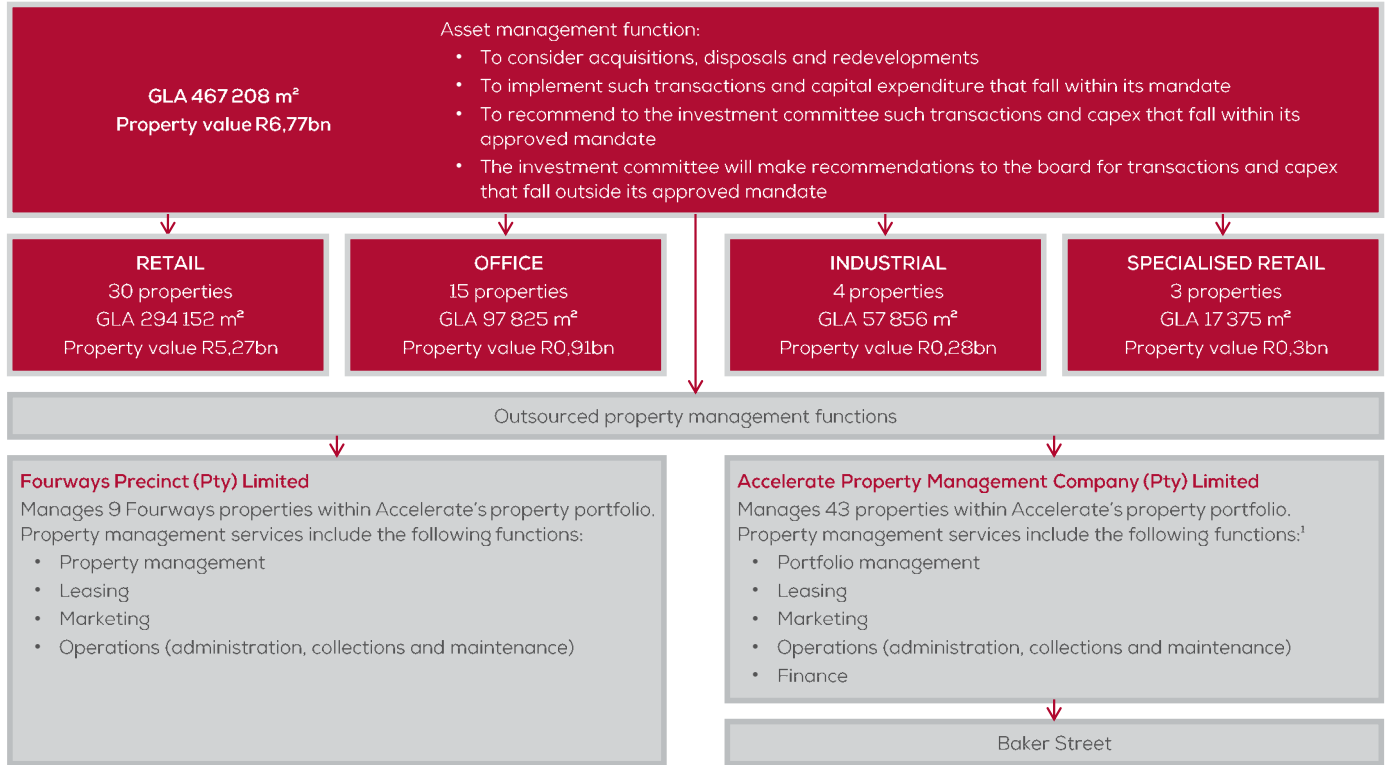
Mr Michael Georgiou
Mr Andrew Costa
Mr John Paterson
Mr Ashley Du Toit



ANNEXURE 3: FUND MANAGEMENT STRUCTURE



FUND MANAGEMENT STRUCTURE

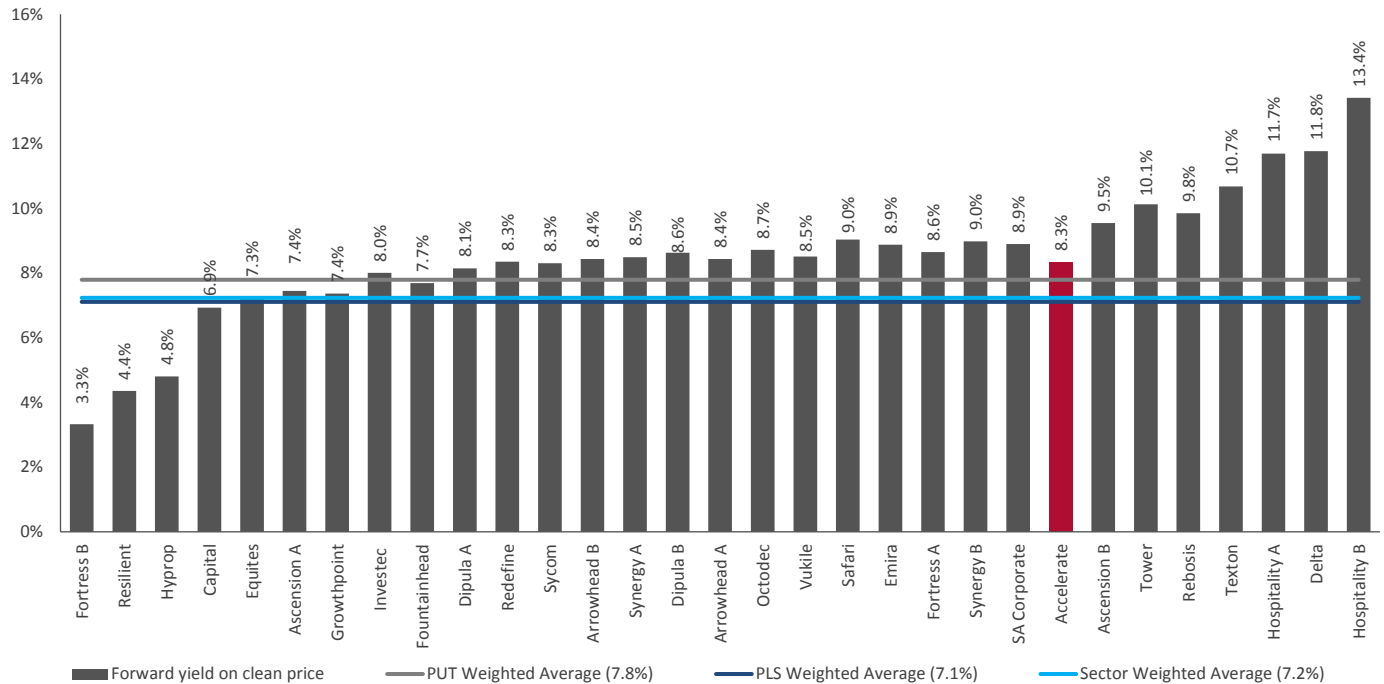




ANNEXURE 4: ACCELERATE'S POSITIONING ON THE JSE

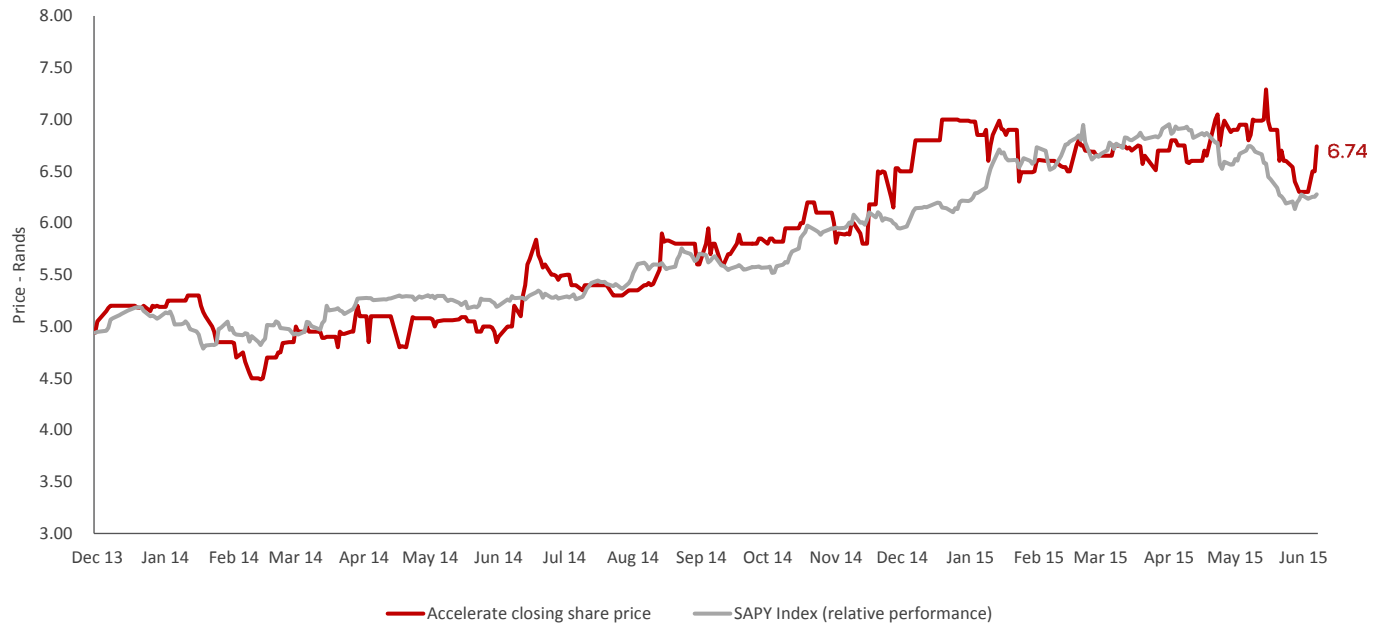


PEER COMPARISON: SECTOR FORWARD YIELD BASED ON CLEAN PRICE AND ROLLING 12 MONTHS DISTRIBUTION

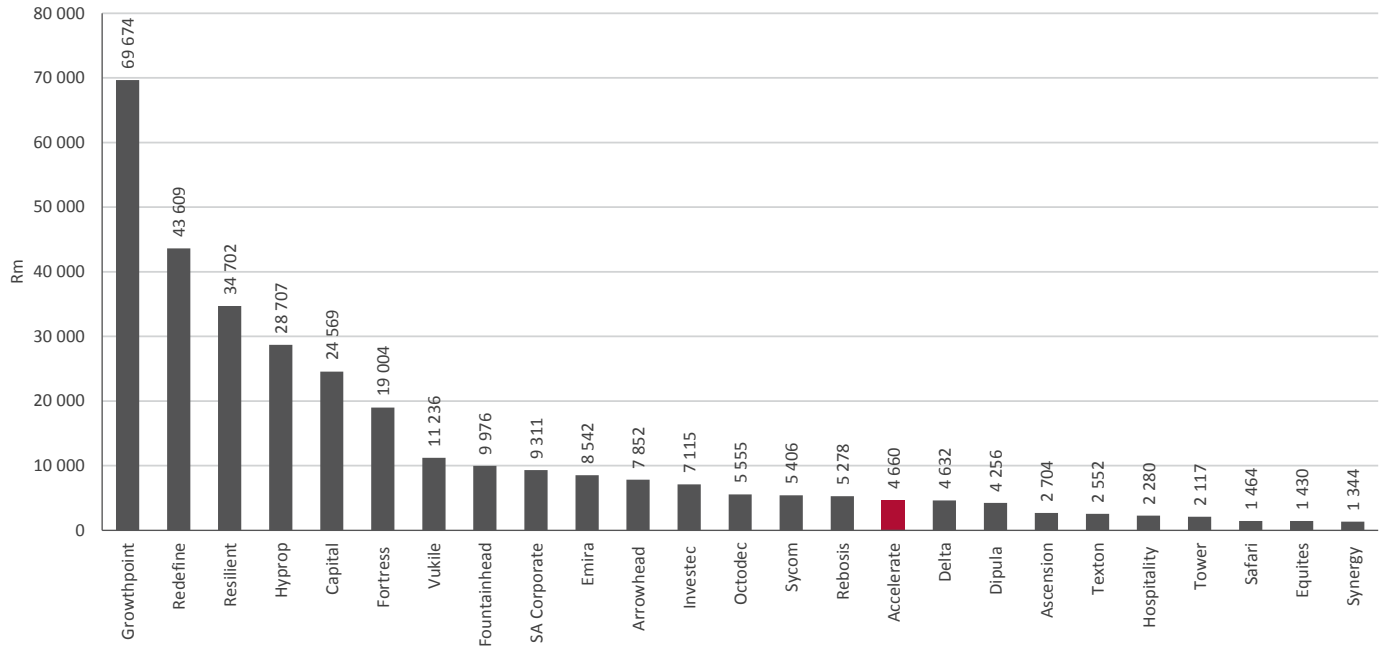


Source: I-Net Bridge as at 19 June 2015 and company filings

PEER COMPARISON: SHARE PRICE SINCE LISTING



PEER COMPARISON: MARKET CAP



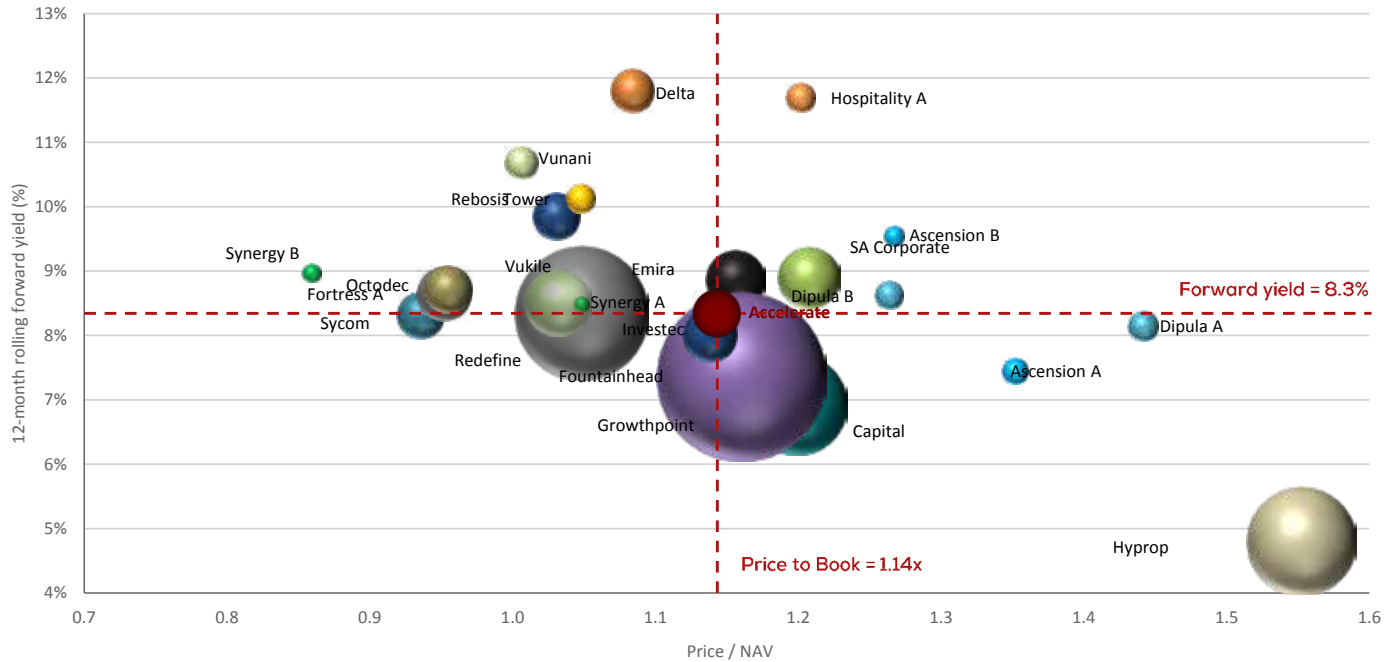
Source: I-Net Bridge as at 19 June 2015 and company filings

PEER COMPARISON: LISTED PROPERTY SECTOR RATING

ACCELERATE POSITIONING FROM A BUY-IN PERSPECTIVE



Sector rating: 19 June 2015



Bubble sizes represent the market cap



THANK YOU

KEY DATES

Declaration date	Monday, 22 June 2015
Last day to trade cum distribution	Friday, 10 July 2015
Shares commence trading ex distribution	Monday, 13 July 2015
Record date	Friday, 17 July 2015
Payment date	Monday, 20 July 2015

INVESTOR RELATIONS

Instinctif Partners	Tel: 011 447 3030
The Firs, 302 3rd Floor	Email: accelerate@instinctif.com
Cnr Cradock and Bierman Avenue	
Rosebank, Johannesburg, 2196	



ACCELERATE

PROPERTY FUND