

INTERIM RESULTS
for the six months ended 30 September 2016



A LEADING PORTFOLIO





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ACCELERATE AT A GLANCE



ACCELERATE AT A GLANCE AS AT 30 SEPTEMBER 2016

| | | | |
|--------------------------------------|--|--|--|
| Property portfolio | Asset value: R9,1bn | Tenant profile (% of revenue) | A – Large National: 61,5% B – National Listed/Franchises: 15,5% C – Other: 23,0% |
| Strategic nodes | Fourways Precinct: 179 893 m ² Charles Crescent – Kramerville: 44 380 m ² Foreshore – Cape Town: 53 268 m ² Somerset West – Cape Town: 19 263 m ² | Agterskot | No further agterskot vacancies were filled since 31 March 2016 |
| GLA | 533 356 m ² | Market cap* | R5,46bn |
| Occupancy | 92,3% (excl. structural vacancies & Portside) 89,1% (incl. structural vacancies) | Yield** | 9,13% |
| WALE (gross income) | 5,5 years | Cost of funding | Weighted average cost of funding 8,6% |
| Portfolio split (revenue) | Retail: 66,8% Office: 26,6% Industrial: 6,6% | Debt | WA term: 2,6 years Total debt: R3,7bn LTV: 40,5% ICR: 2,4x |
| | | Hedging | 78,25% of debt hedged WA term: 2,4 years |

* Market cap calculated on a closing share price at 30 September 2016 of R6,35

** Actual Yield for the six months ended 30 September 2016, calculated on an average share price of R6,30



HIGHLIGHTS FOR THE PERIOD UNDER REVIEW



HIGHLIGHTS FOR THE PERIOD UNDER REVIEW

Distribution to shareholders

September 2016 distribution: 28,766 cents per share
September 2015 distribution: 26,617 cents per share
Distribution growth year-on-year: 8,1%

Offshore transaction

Offshore SPA signed for the purchase of the Portfolio of nine properties (six in Austria and three in Slovakia) for €82m at an European yield of 7,0% and yield to South Africa of 11,5%

Portside

Premium grade office block acquired for R755m at a yield of 7,5% - this property transferred to Accelerate on 14 June 2016 and is currently 70% let

Eden Meander

Eden Meander is a 28 240 m² sized centre in George being acquired at a yield of 9,1%. This property transferred to Accelerate in the first week of October 2016

Domestic medium-term note programme

Successful re-finance of December 2016 long-term debt to the value of R225m through the APF 04 issuance to the debt capital markets on 21 October 2016. GCR affirmed APF's rating for the senior secured notes as AA-_(ZA) with a stable outlook

Extension of swap maturities

Additional swaps of R300m were entered into since 1 April 2016. The weighted average term of APF's swaps is 2,4 years at 30 September 2016



FINANCIAL OVERVIEW



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Consolidated statement of financial position | 30 September 2016 (R'000) | 31 March 2016 (R'000) |
|--|------------------------------|--------------------------|
| ASSETS | | |
| Non-current assets | 9 312 814 | 8 496 381 |
| Investment property | 9 227 933 | 8 422 776 |
| Derivative financial instruments | 33 941 | 73 086 |
| Equipment | 940 | 519 |
| Current assets | 587 193 | 278 605 |
| Trade and other receivables | 278 299 | 207 177 |
| Cash and cash equivalents | 308 894 | 71 428 |
| Investment property held for sale | 43 657 | 130 726 |
| Fair value of investment property assets | 43 657 | 130 726 |
| Total assets | 9 943 664 | 8 905 712 |
| EQUITY AND LIABILITIES | | |
| Shareholders' interest | 6 105 558 | 5 771 966 |
| Share capital | 4 433 155 | 4 105 211 |
| Other reserves | 20 805 | 20 045 |
| Retained earnings | 1 651 598 | 1 646 710 |
| Total equity | 6 105 558 | 5 771 966 |
| Non-current liabilities | 2 870 390 | 2 597 181 |
| Long-term borrowings | 2 843 114 | 2 569 905 |
| Contingent liability on conditional purchase costs | 27 276 | 27 276 |
| Current liabilities | 967 716 | 536 565 |
| Trade and other payables | 104 816 | 114 209 |
| Short-term portion of long-term borrowings | 862 900 | 422 356 |
| Total equity and liabilities | 9 943 664 | 8 905 712 |

High level overview of performance

- Investment property:**
 As at 30 September 2016 Accelerate's property portfolio had a value (excl. straight-lining) of R9,1bn. The increase in the portfolio is largely due to the acquisition of 50% of the Portside building in Cape Town for R775m
- Trade and other receivables:**
 Included in trade receivables is an amount of R31m. This is a deposit paid to the transferring attorneys for the remaining Noor properties which are in the process of being transferred
- Contingent purchase consideration:**
 The contingent purchase consideration has not been reduced further from 31 March 2016
- Current portion of long-term debt:**
 The fund successfully rolled R225m of bank debt due in December 2016 through a DMTN issuance of five-year variable rate notes to the value of R225m on 21 October 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| Consolidated statement of comprehensive income | 30 September 2016 (R'000) | 30 September 2015 (R'000) |
|---|------------------------------|------------------------------|
| Revenue, excl. straight-line rental revenue adjustment | 498 042 | 417 496 |
| Straight-line rental revenue adjustment | 16 027 | 38 249 |
| Revenue | 514 069 | 455 745 |
| Property expenses | (138 407) | (115 045) |
| Net property income | 375 662 | 340 700 |
| Other operating expenses | (26 441) | (20 880) |
| Operating profit | 349 221 | 319 820 |
| Fair value adjustments | (39 145) | (1 860) |
| Other income/(expenses) | 620 | 833 |
| Profit on disposal of asset | 5 931 | - |
| Finance income | 16 870 | 6 652 |
| Profit before long-term debt interest and taxation | 333 497 | 325 445 |
| Long-term debt interest | (139 314) | (113 801) |
| Profit before taxation | 194 183 | 211 644 |
| Taxation | - | - |
| Profit after taxation attributable to equity holders | 194 183 | 211 644 |
| EARNINGS PER SHARE | | |
| Basic earnings per share (cents) | 23,36 | 29,74 |
| Diluted earnings per share (cents) | 23,05 | 29,41 |
| Headline earnings per share (cents) | 22,65 | 29,74 |
| Diluted headline earnings per share (cents) | 22,35 | 29,41 |
| DISTRIBUTABLE EARNINGS | | |
| Profit after taxation attributable to equity holders | 194 183 | 211 644 |
| Less: straight-line rental revenue adjustment | (16 027) | (38 249) |
| Add: fair value adjustments | 39 145 | 1 860 |
| Add: distribution from reserves | 15 298 | 17 105 |
| Distributable earnings | 232 599 | 192 360 |

High level overview of performance

- **Revenue:**
Accelerate earned a gross rental income (excluding straight line rental revenue adjustment) of R498m for the period (2015: R417m)
- **Property expenses:**
The group's major expenses were largely recovered in terms of leases and consisted of: utility charges of R99,4m (2015: R89,9m), security of R13,6m (2015: R12,3m), and cleaning costs of R5,8m (2015: R5,4m)
- **Fair value adjustments:**
The fair value adjustment of R39m is a downward mark to market movement on Accelerate's swaps
- **Earnings per share:**
Refer to the table on the left for the basic, diluted, headline and diluted headline earnings per share
- **Distributable earnings:**
Refer to the table on the left for the distributable earnings and distribution per share

CURRENT VS FORECAST DISTRIBUTION BUILD-UP

| | Actual 30 September 2016 (R'000) | Actual 30 September 2015 (R'000) |
|--|-------------------------------------|-------------------------------------|
| Distribution analysis | | |
| Distributable earnings | 232 599 | 192 360 |
| Shares qualifying for distribution | | |
| Number of shares at period-end | 859 652 330 | 758 455 048 |
| Shares issued after 30 September | - | 15 313 935 |
| Less: bulk ceded shares to Accelerate* | (51 070 184) | (51 070 184) |
| Shares qualifying for distribution | 808 582 146 | 722 698 799 |
| Interim distribution per share (cents) | 28,766 | 26,617 |

* 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 31 December 2021 or such time that the bulk is developed

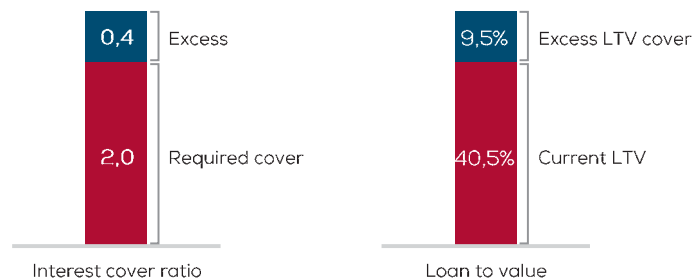
KEY RATIOS AGAINST PREVIOUS RESULTS AND THE MARKET



| Key ratios | 30 September 2016 | | 31 March 2016 |
|-------------------------|----------------------|---|----------------------|
| Interest cover ratio | 2,4 | ↓ | 2,8 |
| Loan to value | 40,5% | ↑ | 35,6% |
| Net asset value (Rbn) | 6,1 | ↑ | 5,7 |
| Market cap (Rbn) | 5,46 | ↑ | 4,82 |
| Senior secured rating | AA- _(za) | | AA- _(za) |
| Senior unsecured rating | BBB+ _(za) | | BBB+ _(za) |

| Key indicator summary | 30 Sept 2016 | 31 March 2016 |
|--|--------------|---------------|
| Yield | 9,1% | 8,61% |
| Portfolio value (Rbn) | 9,1 | 7,6 |
| GLA (m²) | 533 356 | 520 226 |
| Number of properties | 60 | 61 |
| Weighted average lease expiry (years) | 5,5 | 5,1 |
| Lease escalations | 7,8% | 8,04% |
| Vacancies (net of structural vacancies) | 7,75% | 7,13% |
| Listed/large national tenants (by revenue) | 61,5% | 57,2% |

Key covenant ratios



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

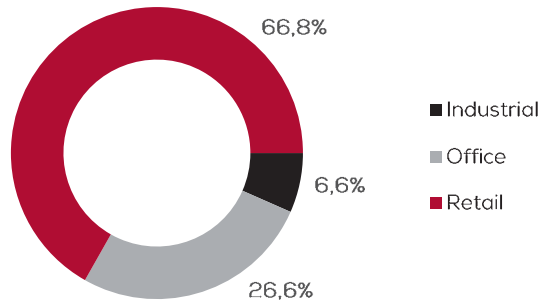


PROPERTY PORTFOLIO

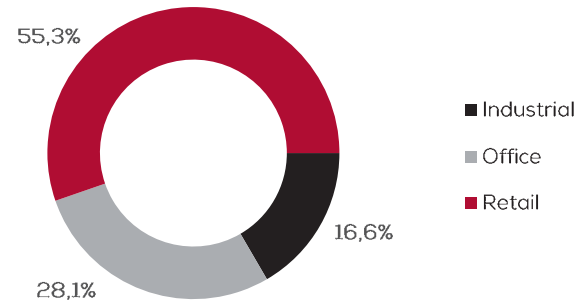


SECTOR AND GEOGRAPHIC SUMMARY

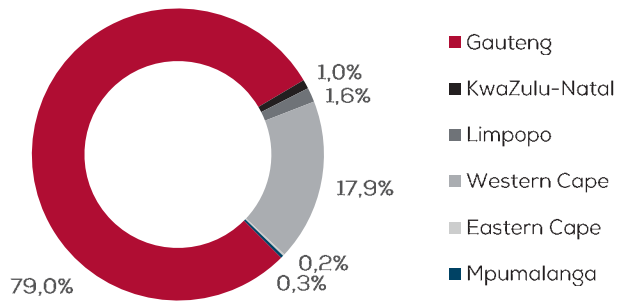
Sector profile by revenue



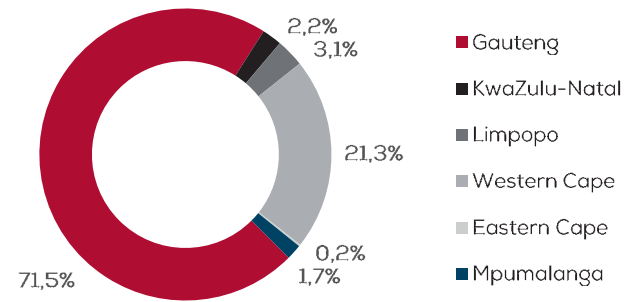
Sector profile by GLA



Geographic profile by revenue

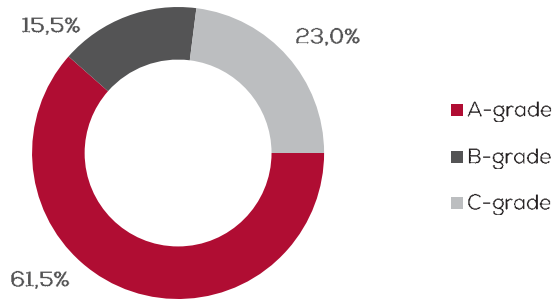


Geographic profile by GLA

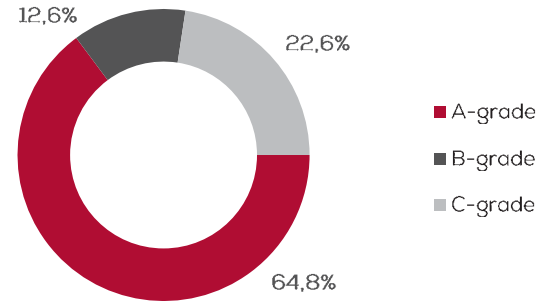


TENANT PROFILE

Tenant profile by revenue



Tenant profile by GLA

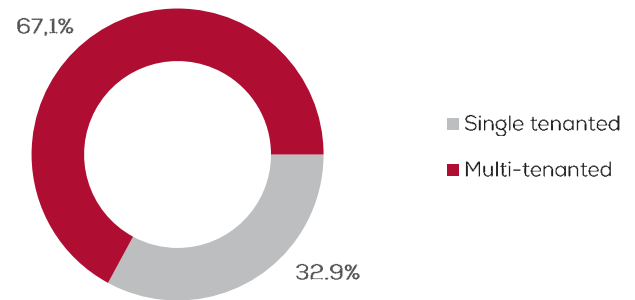


A: Large national tenants, large listed tenants and major franchises, including, Absa Bank, ADT, Capitec Bank, Dis-Chem, Edgars, FNB, Foschini, Jet Stores, KPMG, Massmart, Medscheme, Nedbank, OK Furnishers, Pepkor, Pick n Pay, Shoprite, Standard Bank, Woolworths

B: National tenants, listed tenants, franchises and medium to large professional firms, including, 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

| Sector | Sep 17 | Sep 18 | Sep 19 | Sep 20 | Sep 21 | Sep 22 | Total |
|--------------|--------|--------|--------|--------|--------|--------|--------|
| Industrial | 1,2% | 0,0% | 3,9% | 0,6% | 0,8% | 3,5% | 10% |
| Office | 1,2% | 3,3% | 4,9% | 3,5% | 2,8% | 13,3% | 29% |
| Retail | 8,2% | 11,2% | 15,0% | 9,1% | 3,5% | 14,0% | 61% |
| Total | 10,6% | 14,5% | 23,8% | 13,2% | 7,1% | 30,8% | 100,0% |

Tenant retention

| Tenant retention by sector (based on GLA) | Retention % |
|---|-------------|
| Industrial | 100% |
| Office | 99% |
| Retail | 92,2% |
| Total | 96,1% |

Leases with negative reversions upon renewal (1 April 2016 to 30 September 2016)

| Sector | Number of reversions | Annualised value | % of total annual revenue per sector |
|--------------|----------------------|------------------|--------------------------------------|
| Industrial | - | - | - |
| Office | 1 | 462 542 | 0,18% |
| Retail | 6 | 760 526 | 0,12% |
| Total | 7 | 1 223 068 | 0,12% |

Contractual escalations

| Sectoral type | 30 September 2016 | 31 March 2016 |
|------------------------|-------------------|---------------|
| Industrial | 7,8% | 8,75% |
| Office | 7,9% | 7,71% |
| Retail | 7,7% | 8,05% |
| Total portfolio | 7,8% | 8,04% |

Tenant arrears at 30 September 2016

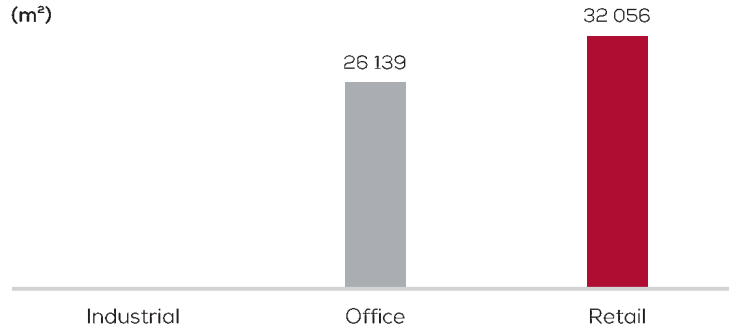
| 120+ days | 90 days | 60 days | 30 days | Current | Total days |
|-------------|-------------|-------------|-------------|-------------|---------------|
| 12 104 162 | 3 299 012 | 4 115 763 | 6 119 660 | 11 008 883 | 36 647 480 |
| (6 222 074) | (1 054 524) | (1 107 758) | (1 115 099) | (1 125 231) | (10 624 686)* |
| 5 882 088 | 2 244 488 | 3 008 005 | 5 004 561 | 9 883 652 | 26 022 794 |
| 22,6% | 8,6% | 11,6% | 19,2% | 38% | 100% |

* Oceana House:

APF and the tenant agreed that two new lifts will be installed in the premises at a total budgeted cost of R11m. The tenant and APF have further agreed that the tenant withhold rental until the lifts are installed.

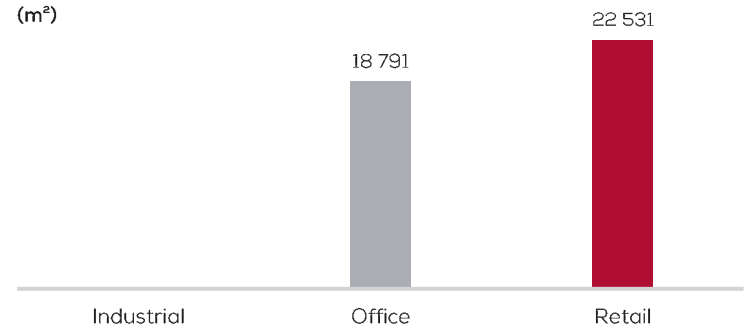
VACANCY PROFILE

Vacancies as at 30 September 2016
(including structural vacancies)
(m²)



| Sectoral type | 30 September 2016 | 31 March 2016 |
|------------------------|-------------------|---------------|
| Industrial | 0,0% | 0,0% |
| Office | 17,45% | 12,86% |
| Retail | 10,87% | 9,69% |
| Total portfolio | 10,91% | 8,73% |

Vacancies as at 30 September 2016
(net of structural vacancies and Portside)
(m²)



| Sectoral type | 30 September 2016 | 31 March 2016 |
|------------------------|-------------------|---------------|
| Industrial | 0,0% | 0,0% |
| Office | 12,55% | 12,86% |
| Retail | 7,64% | 7,00% |
| Total portfolio | 7,75% | 7,13% |

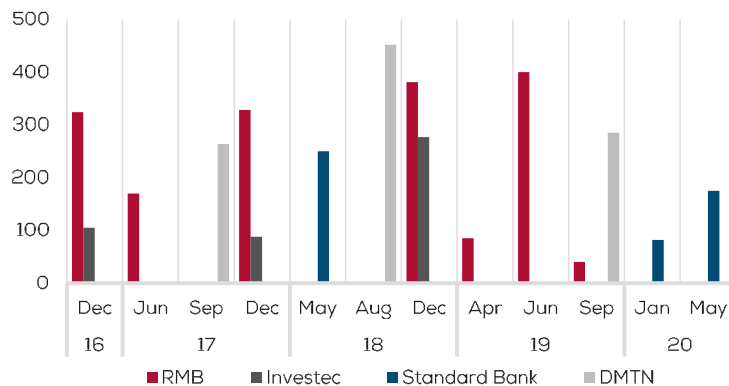


CAPITAL STRUCTURE

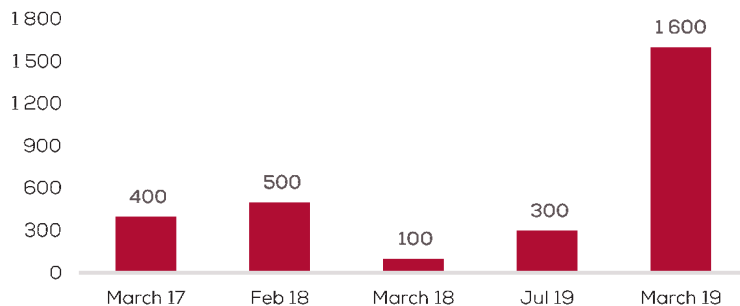


LONG-TERM DEBT

Long-term debt funding maturity profile (Rm)



Interest rate swap maturity buckets (Rm)



Long-term debt allocation

| Bank funding | 30 Sep 2016 (Rm)* | % | 31 Mar 2016 (Rm) | % |
|------------------------------------|-------------------|---------------|------------------|---------------|
| Debt capital markets | 1 001 | 27% | 1 001 | 33,5% |
| Bank funding | 2 705 | 73% | 1 991 | 66,5% |
| Total | 3 706 | 100,0% | 2 394 | 100,0% |
| Weighted average debt term (years) | 2,6 | | 2,7 | |
| Short-term portion of debt | 862,9 | 23,3% | 422,3 | 14,3% |
| Debt hedged | 2 900 | 78,25% | 2 600 | 86,9% |
| Weighted average swap term (years) | 2,4 | | 2,4 | |
| Blended interest rate* | | 8,6% | | 8,24% |
| Interest cover ratio (x) | 2,4 | | 2,8 | |
| Loan to value | | 40,5% | | 35,6% |

* Includes the effect of the interest rate swap



UPDATE ON FOURWAYS DEVELOPMENT



UPDATE ON FOURWAYS MALL DEVELOPMENT AND REFURBISHMENT



UPDATE ON FOURWAYS MALL DEVELOPMENT AND REFURBISHMENT

Salient construction features

Commencement third quarter 2015
Mota Engil contracted for the build
Pre-cast concrete method build

Anticipated build time

Approximately three years
Phase 1 – Food court, certain parkades and Bounce – December 2016
Phase 2 – Remainder of centre – 2018

Option

Option approved by shareholders for Accelerate to acquire the equalisation share in the completed development at a yield of 8,0%

Letting

75% pre-let requirements have been met and construction is well under way. Letting of smaller line shops to be concluded closer to the completion of the development



CAPEX SPEND



CEDAR REFURBISHMENT

- **Scope:**
Extension of Woolworths to 3 000 m²
Upgrade of façade
Overall revamp and refurbishment
- **Approximate cost:**
R60m for the extension of Woolworths and upgrade of façade
R40m for additional upgrades
- **Timing:**
Completion towards the end of 2016



OTHER CAPEX SPEND/ANTICIPATED CAPEX SPEND



| | |
|--------------------------------------|---|
| Fourways View | Redevelopment of Fourways View to fit in with the new Fourways Mall - approximately R40m |
| Fourways Mall | Redevelopment of food court approximately R40m |
| Oceana House | Upgrading of infrastructure and access to the building including the installation of two additional lifts Estimated cost: R10m |
| Meschape | Upgrading of façade and infrastructure of building Cost: R3,2m |
| The Leaping Frog | Upgrade to Nando's and building of drive-through Upgrade of centre including road infrastructure Estimated cost – R9,5m |
| 1 Charles Crescent (ADT building) | Upgrading of water supply, water pressure and fire sprinkler system Cost – R2,5m |
| Keerom Chambers | Internal refurbishment – R1,7m allocated Replacement of two lifts – R2m |



PORTSIDE ACQUISITION



PORTSIDE ACQUISITION

Building specifics:

- **Grade:**
25 224 m² of premium-grade, 5-star green rated office and retail building
- **Acquisition price:**
R755m
- **Yield (year 1):**
7,5%
- **Finance:**
Fully debt funded
- **Salient features:**
R100m rental guarantee from seller
- **Transferred 14 June 2016**



PORTSIDE | CONTINUED



- **Tenants include:**

Western Province Health Department,
Zara Labs, EXL Services,
Equites Property Fund,
China Construction Bank and Petronex

- **Leasing update:**

April 2015 – 82,12% vacant – 20 174 m²

June 2016 – 40,37% vacant – 10 184 m²

September 2016 – 29,13% vacant –
7 348 m²

4 040 m² is under discussion/
negotiation at various stages of
completion

- **WALE:**

4,4 years at 30 September 2016



EDEN MEANDER



EDEN MEANDER



Acquired for R365m
at a yield of 9,1%

- Large tenants include:
Checkers, Checkers Liquor, Pick n Pay
Clothing, Builders Warehouse
- Transferred during the first week of
October 2016
- 97% occupied at date of transfer bulk:
10 000 m² of bulk for future
development which APF will only pay for
after three years from the date of
transfer of the property. A large gym
chain is currently interested in this site



ANNEXURE 1: TOP TEN PROPERTIES BY VALUE



TOP TEN PROPERTIES BY VALUE

Top ten properties by value*

| Property name | Region | Value | GLA |
|-------------------------------|--------------|----------------------|----------------|
| Fourways Mall Shopping Centre | Gauteng | 2 417 200 000 | 61 480 |
| Cedar Square | Gauteng | 979 531 662 | 46 025 |
| Portside | Western Cape | 755 000 000 | 25 127 |
| KPMG Crescent | Gauteng | 631 102 337 | 20 096 |
| Fourways View | Gauteng | 328 386 292 | 12 962 |
| The Buzz Shopping Centre | Gauteng | 287 449 933 | 14 291 |
| BMW Fourways (Cedar) | Gauteng | 210 587 867 | 13 098 |
| KPMG Wanooka Place | Gauteng | 210 254 400 | 6 762 |
| Fourways Game | Gauteng | 195 800 000 | 8 763 |
| Checkers Montague | Western Cape | 175 680 712 | 26 135 |
| Total | | 6 190 993 203 | 234 739 |

* As per 31 March 2016 valuation



OFFSHORE – VERBAL UPDATE



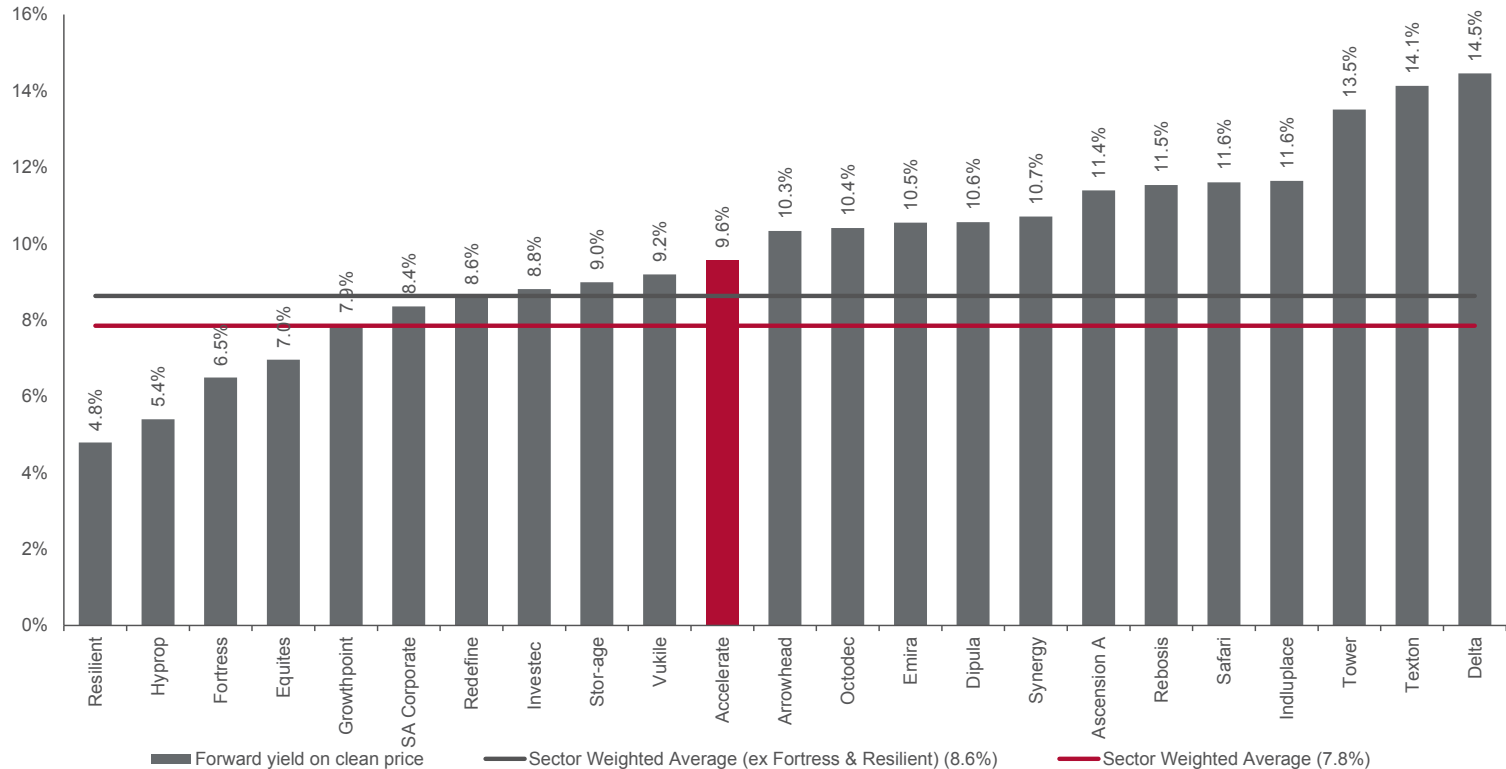


ANNEXURE 2: ACCELERATE'S POSITIONING ON THE JSE

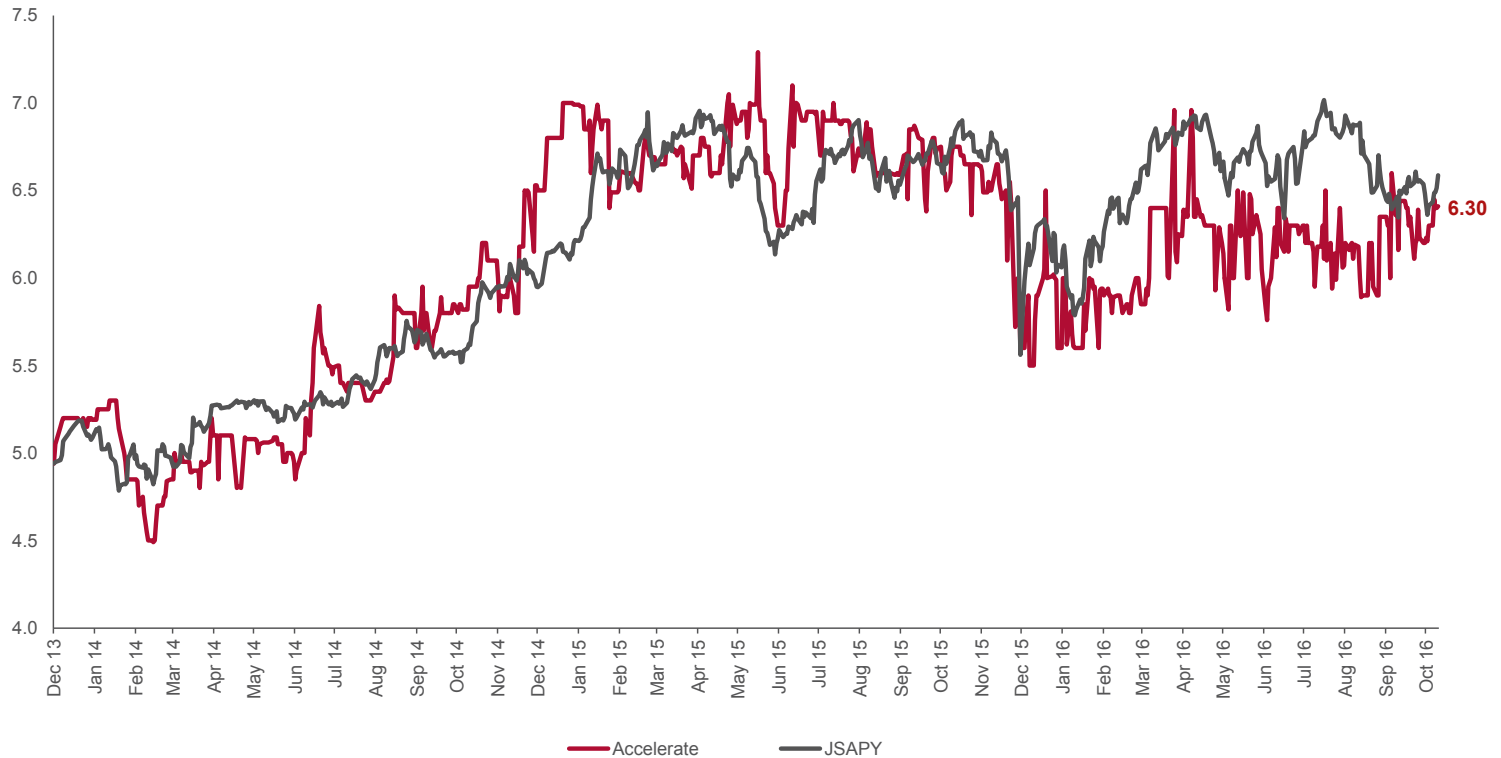


PEER COMPARISON: SECTOR FORWARD YIELD

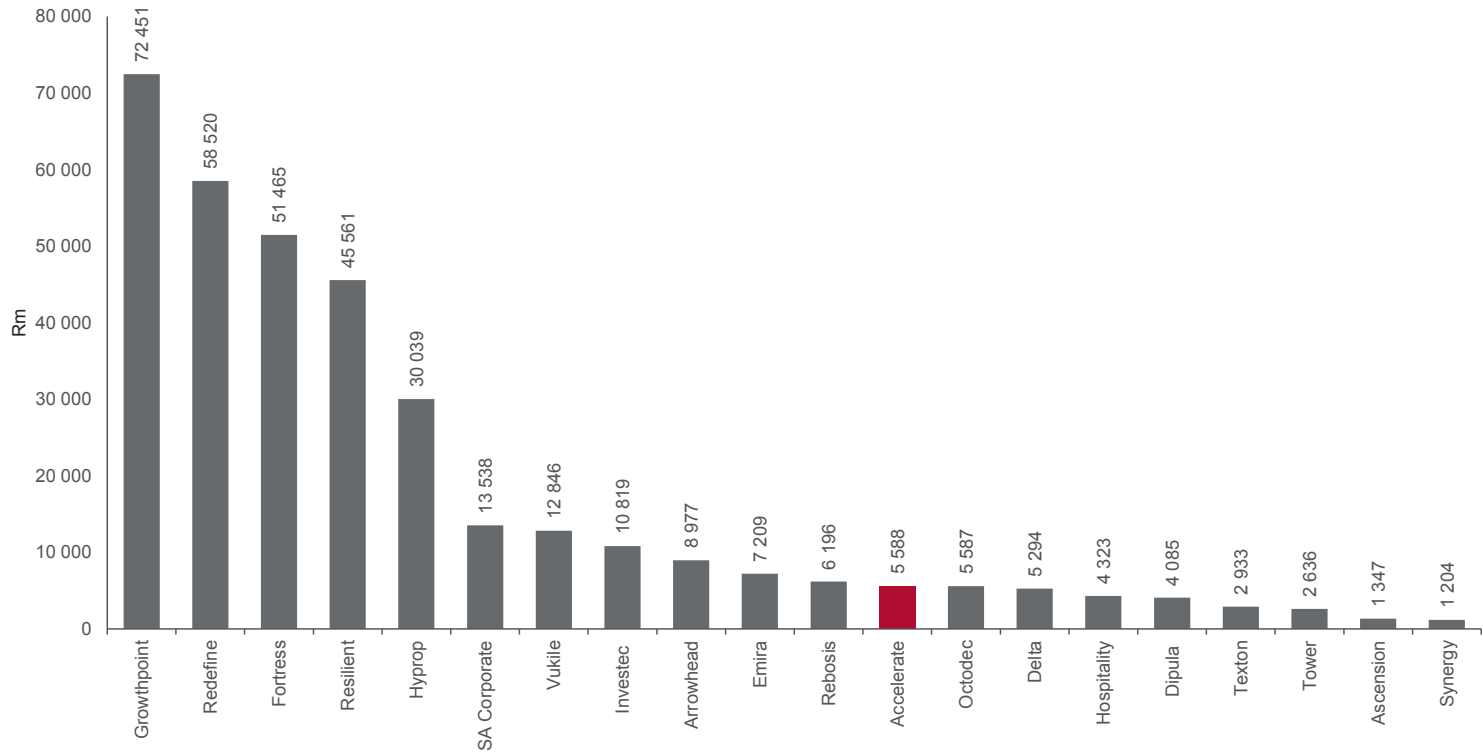
BASED ON CLEAN PRICE AND ROLLING 12 MONTHS DISTRIBUTION



PEER COMPARISON: SHARE PRICE SINCE LISTING



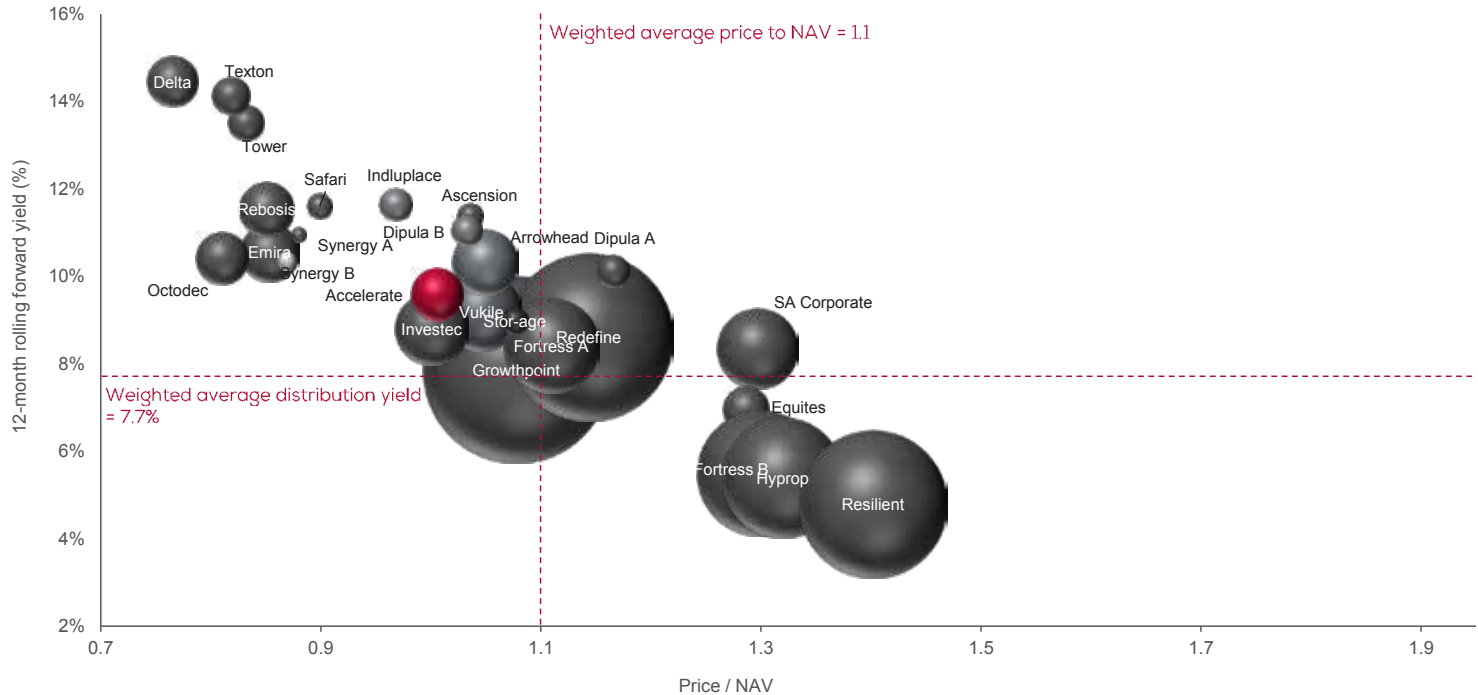
PEER COMPARISON: MARKET CAP



PEER COMPARISON: LISTED PROPERTY SECTOR RATING

ACCELERATE POSITIONING FROM A BUY-IN PERSPECTIVE

Sector rating: 22 October 2016



Bubble sizes represent the market cap

THANK YOU

KEY DATES

| | |
|---|-----------------------------|
| Declaration date | Tuesday, 8 November 2016 |
| Last day to trade cum distribution | Tuesday, 22 November 2016 |
| Shares commence trading ex distribution | Wednesday, 23 November 2016 |
| Record date | Friday, 25 November 2016 |
| Payment date | Monday, 28 November 2016 |

INVESTOR RELATIONS

| | |
|---|---|
| Instinctif Partners | Tel: 011 447 3030 |
| The Firs, 302 3rd Floor, Cnr Craddock and Biermann Road, Rosebank, Johannesburg, 2196 | Email: accelerate@instinctif.com |





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