Ascencia
Shaping singular plac

HALF YEARLY REVIEW **DECEMBER 2018**

Key figures for the period

(compared to same period last year)

▲+ 7% Rs **10,136** per sqm AVERAGE TRADING DENSITIES	**7.1** % RENT TO TURNOVER REMAINS STABLE	▲+ 21% Rs **494** m NET OPERATIONAL INCOME **Including straight line rental accrual*
▲+17% Rs **0.35** INTERIM DIVIDEND PER SHARE	▲+8% Rs **15.29** NET ASSET VALUE PER SHARE	▲+12% Rs **17.60** SHARE PRICE

Sector Review

Our domestic indicators show that economic growth is expected to remain at 3.9% in 2019, in line with last year.
As at 31 December 2018, Repo rate stood at 3.5% after it was left unchanged at the last monetary policy meeting in contrast with the long term bond yield which strengthened to 5.42% (Dec 17: 4.47%).
Consumption growth has been on the rise supported by the several policies implemented by the government notably the increase in disposable earnings for the lower income categories.
From a sectorial perspective, we are happy with the current low interest rate environment and consumption level as any increase may influence consumption and property development.

Ascencia Performance

Ascencia delivered good operational performance during the period under review with an average trading densities increasing by 7% in current price terms, a rate above inflation for the 6 months ended December 2018 compared to same period last year. This improvement was mainly due to higher visits (+2%), lower vacancies and better conversion. This suggests that our malls do not only attract shoppers but also increase the spend per head. Vacancies stood at 1.3% down from the 2.1% revised of last year considering So'flo which was operational as from December 2017.
Retailers' cost of occupancy, as measured by the gross rental to sales, remains stable at 7.1% thus confirming the financial strength of our tenants. This was the result of the growth in overall sales and contractual increase in aggregate gross rental.
WALE over the portfolio was down to 4.33 years from 5.26 years last year.
Net Operational Income and Profit for the period rose by 21% and 38% respectively (including the straight-line rental accrual adjustment as from 01 July 2018). Beside yearly escalation of rental, the main increase has been due to the consolidation of So'flo and lower overall vacancies.
We continue to build on our ambition of being an industry reference and a provider of superior return to our shareholders. As a result, the Board has approved an interim dividend of 35 cents per share in November 2018, a 17% increase compared to last year interim.
Average yield on our investment properties remains strong at 7.7%, taking into consideration the capital upside as a result of fair value gains reported at the end of each financial year.

Macroeconomic Indicators

	Dec-18	Dec-17
Headline inflation	**3.20%**	3.70%
Repo rate	**3.50%**	**3.50%**
10yrs GOM bond yield	**5.42%**	4.47%

Source: Bank of Mauritius & Statistics Mauritius

Financial KPIs

	Q2 FY 19	Q2 FY 18	6M FY 19	6M FY 18	Full Year FY 18
Revenue (Rs m)	346	296	683	579	1,203
Operating profit (Rs m)	213	165	435	343	725
PAT (Rs m)	124	94	262	188	908
LTV (%)	39	40	39	40	38

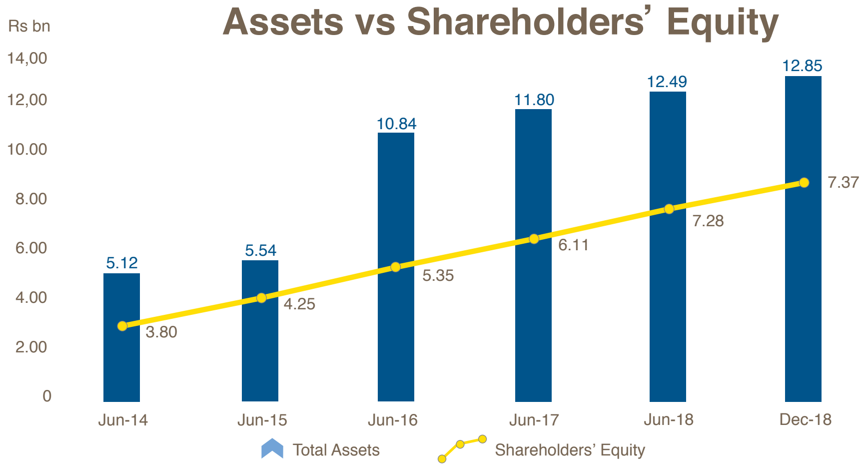
NOI: Net Operational Income **PAT:** Profit After Tax **LTV:** Loan To Value

**** FY 19 figures include straight-line adjustment effective as from 01 July 2018***

Operational KPIs

	Dec-18	Dec-17
Weighted Average Lease Expiry (Yrs)	**4.33**	5.26
Vacancy (%)	**1.3**	2.1
Average Monthly Footfall (N#)	**1,955,460**	1,908,641
Malls (N#)	**6**	6
Trading Densities (Rs/Sqm)	**10,136**	9,461
Rent to Turnover (%)	**7.1**	7.1

Assets vs Shareholders' Equity



Current Data

	Dec-18	Dec-17
Share price (Rs)	17.60	15.65
Interim Dividend Yield Class A (%)	2.0	1.9
NAVPS (Rs)	15.29	14.21
P/NAVPS	1.15	1.10
Market capitalisation (Rs m)	8,484	6,773
Bond price (Rs)	12.80	12.83
Bond yield (%)	5.6	5.6

Operational Performance
KPIs Breakdown

Mall	Bagatelle Dec-18	Bagatelle Dec-17	Phoenix Dec-18	Phoenix Dec-17	Riche Terre Dec-18	Riche Terre Dec-17	Kendra Dec-18	Kendra Dec-17	Les Allées Dec-18	Les Allées Dec-17	So'flo Dec-18	So'flo Dec-17
GLA (sqm)	**56,859**	56,836	**29,092**	29092	**21,105**	20,907	**5,271**	5,265	**2,655**	2,655	**7,422**	7,422
WALE (yrs)	**4.2**	4.3	**5.6**	6.3	**7.5**	7.1	**3.1**	3.3	**2.5**	3.1	**5.3**	5.6
Vacancy (%)	**0.2**	0.6	**3.4**	0.4	**1.2**	6.8	**0.0**	1.0	**2.2**	0.0	**11.2**	9.0

Bagatelle Mall
Bagatelle Mall remains the leading attraction and delivered sustainable return during the period. Average monthly footfall for the period rose by 2.0% to 746,310 compared to same period last year. Of note, the footfall at Bagatelle in December reached its all-time high number of visits of 1,040,971. This, together with better conversion resulted in an increase of 4.4% in trading densities. As for rent to turnover, it remained healthy and stable. We noted that vacancy reduced to 0.2% compared to 0.6% same period last year.

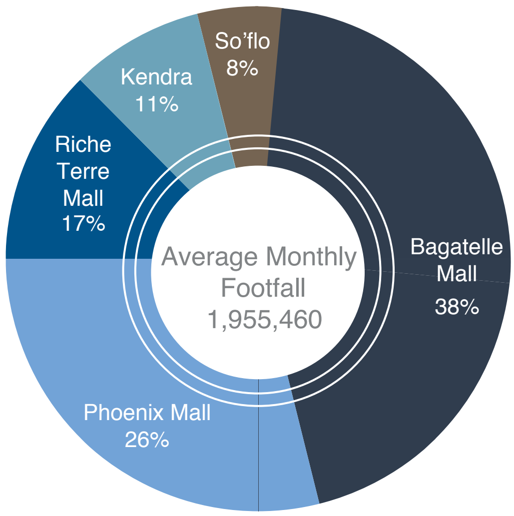
Phoenix Mall
The Mall delivered an eye-catching performance for the period with regard to trading densities, which rose by 10.2%, whereas the average monthly footfall advanced by 1.6% showing a higher spend per head. On the other hand, NOI improved by 3.4% for the period, lower than expected mainly due to higher vacancies (3.4%). We anticipate the latter to reduce in the next period with management actively fine-tuning its tenant mix.

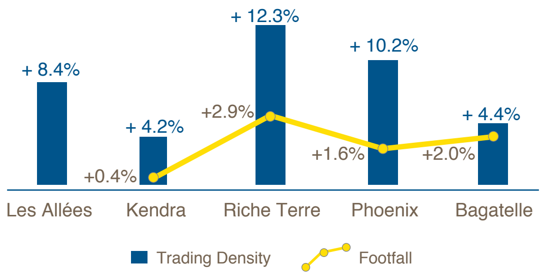
Riche Terre Mall
Riche-Terre Mall posted strong operational performance for the period with trading densities edging up by 12.3%. Average monthly footfall rose by 2.9%, again suggesting better conversion. This is encouraging in our effort to improve the overall performance of the Mall. Vacancies were down to 1.2% compared to 6.7 % same period last year mainly attributed to the opening of a gym in December. The Mall recorded a 2.4% increase in NOI. Of note, the latter was slightly impacted due to a delay in vacancy take up during the period.

Kendra
The Mall continues to deliver up to expectations with trading densities improving by 4.2%. Being mature and well tenanted in its exposure, trading density growth remain the primary driver in the performance of the Mall. Average monthly footfall remained stable over the period and vacancies were reduced to 0%.

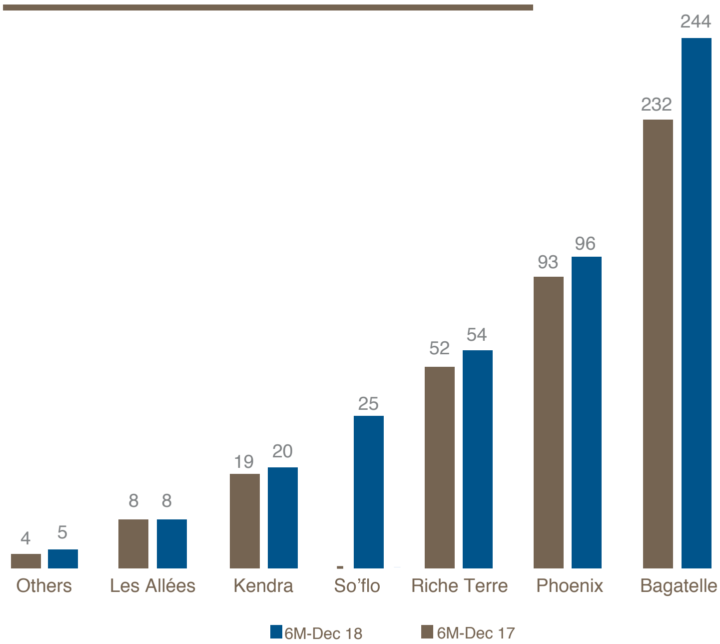
Les Allées
Although being our smallest asset in terms of GLA, Les Allées performed up to expectations.The Mall maintained its occupancy level at 100% while trading densities significantly improved by 8.4%. The Mall experienced some movement in its tenant mix during recent months and results are expected to follow over the next periods.

So'flo
The Mall added its full contribution to our results during the period. We noted an improvement in vacancies to 4.0% compared to 9.0% upon opening in December 2017. Two new shops opened in December namely Vesti-One, a new fashion department store and Café Paul. Management is still working on an optimal tenant mix in order to make it most convenient for the surroundings.

Average Monthly Footfall


Movement in Trading Densities vs Footfall


**So'flo was operational as from December 2017.*
Les Allées footfall not applicable.

Net Operational Income (In Rs m)


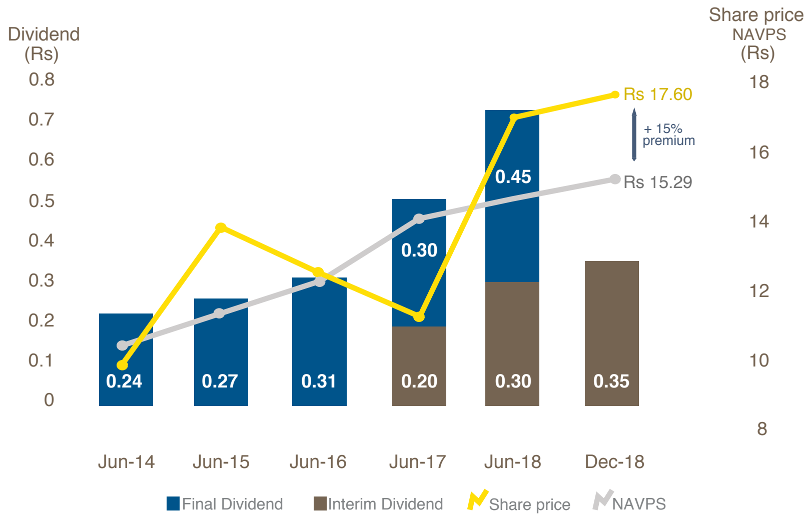
Stock Information

Ascencia was one of the most notable positive contributors to absolute returns on the local market for the period. The share price closed at Rs 17.60 on 31 December 2018 (Rs 15.65 : 31 December 2017), a 15% premium to the Net Asset Value per share.

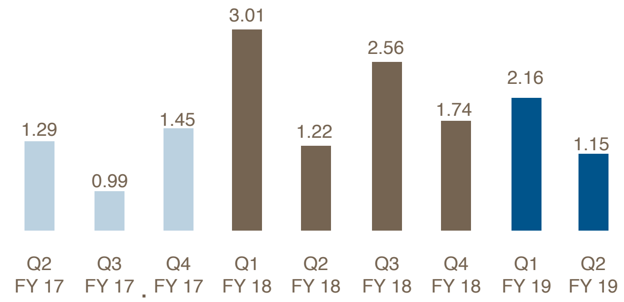
Our good results enable us to be in line with our goal of delivering superior returns to our shareholders. As a result, the Board has approved an interim dividend of 35 cents per share in November 2018, a 17% increase compared to last year.

The market capitalisation stood at Rs 8.5bn (Rs 6.8bn – 31 December 2017). The average daily value exchanged during the last 6 months stood at approximately Rs 465,000. We are satisfied with the current liquidity evolution even if there is room for improvement.

Share price vs NAVPS vs Dividend



Volume Traded (In m)



Outlook

The development of Beau-Vallon Shopping Mall is on track and planned for a grand opening in November 2019. We are working on the new accesses to Phoenix Mall to adapt to the Metro Express Circuit. The renovation of Riche-Terre Mall gallery and exciting project on Bagatelle Mall which shall compose of additional GLA and parking spaces are also due to be materialized. These shall start around August 2019 for a planned opening in the third quarter of the financial year 2020.

We completed the installation of photovoltaic farms at Kendra and Les Allees and both are due to be fully operational during the next quarter. Installation at Bagatelle Mall is in progress and is expected to be completed shortly.

As for the operating properties, the management is confident that the performance of the assets will remain strong and that the performance of the Group for the financial year 2019 will be on target.

Beau-Vallon project

Photovoltaic farms

Extension of Bagatelle Mall

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