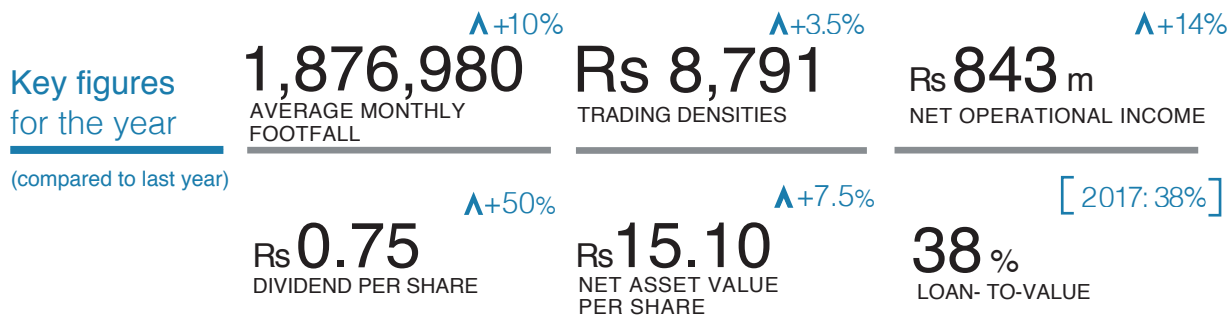


“Improved operational performance of the malls resulting in 50% increase in dividend per share”



COMMENTS ON THE YEAR ended 30 June 2018

Operational Review:

In view of the economic context of the last 12 months, our assets have shown a high degree of resilience. Footfall has increased by 10% with average trading densities improving by 3.5% across the portfolio. The top performer was Riche Terre Mall which recorded an 8.5% increase in trading density. Phoenix Mall has been performing well since reopening, but is still not at our level of expectations. Rent to turnover ratio in Phoenix Mall remained healthy and we are confident that the Mall will continue to trade well. Kendra also witnessed a lower than expected trading density mainly due to one category of tenant but we have already initiated discussions with alternative occupants to address this issue. With regards to vacancies, excluding So'flo, they stood at 1.4% this year (2017:1.6%) reflecting the strong demand for spaces in our Malls. Going forward, we anticipate a lower vacancy in Riche Terre Mall with the arrival of a gym representing 6.2% of the Mall's Gross Lettable Area (GLA) while So'flo will shortly benefit from the opening of a restaurant and a fashion department store which represent 9.4% of the Mall's GLA.

Financial Review:

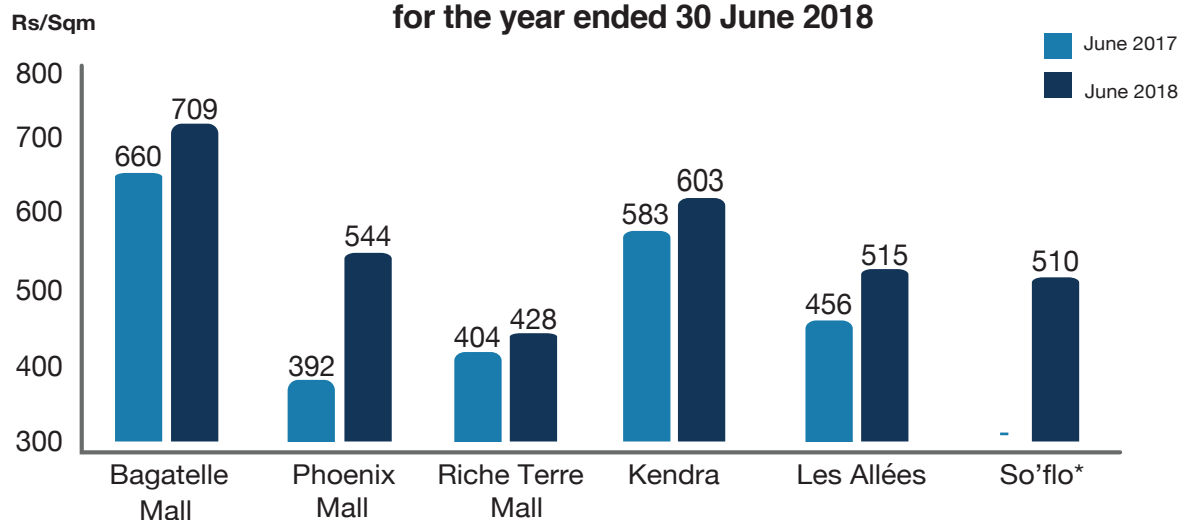
This performance underpins a robust 12% increase in total income and operating profit whilst containing the operating expenses related to the various initiatives implemented in the wake of our newly developed customer promise. Our strong operational performance allowed us to increase dividend distribution. The total dividend per share increased by 50% to reach Rs 0.75. Fair value gains stood at Rs 497m after having taken a reserve of Rs 176m in anticipation of the additional infrastructures to be built in Bagatelle Mall as well as the new accesses in Phoenix Mall.

Outlook

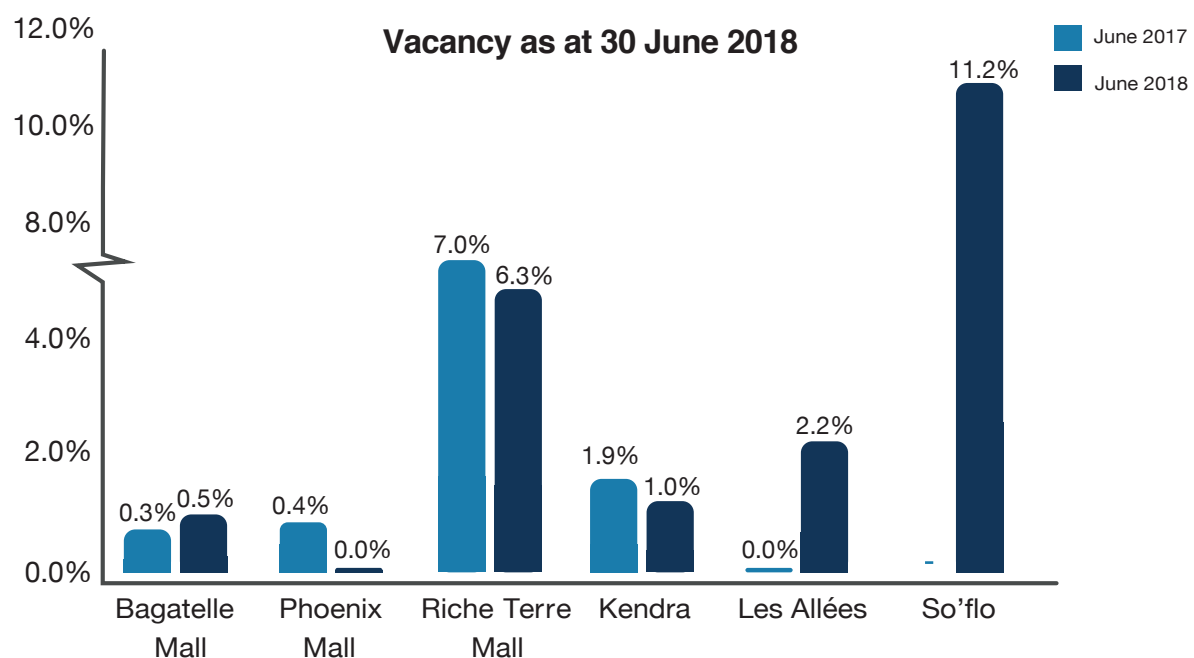
The focus will be on accessibility, comfort and safety. We are working on an exciting project in Bagatelle Mall in order to increase the number of parking spaces, create an entrance from the back of the Mall and add around 10,000 sqm of GLA. This will give us the opportunity to welcome some new international brands and further strengthen the appeal of the Mall. The project is planned to start at the beginning of 2019 with an expected opening at the end of the year. Simultaneously, we will be working on new accesses to the Phoenix Mall following the latest compulsory acquisition by Government. The project in Beau Vallon has been approved on 09 May 2018. Promoted and developed by EnAtt and Atterbury, the Mall will offer 10,000 sqm of GLA. Bulk earthworks have already started and opening is planned for the 30 September 2019.

By order of the Board
05 September 2018

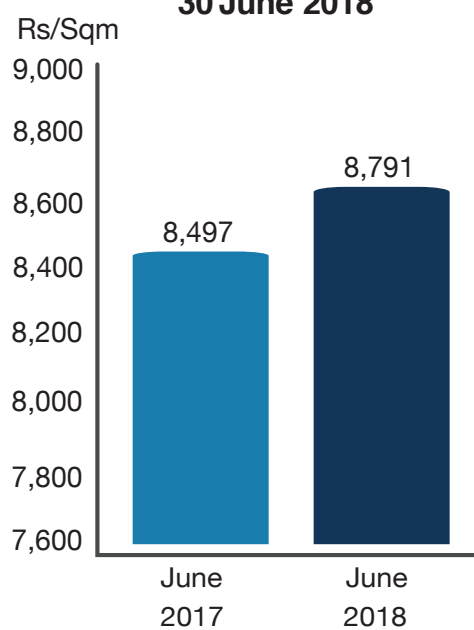
Average net operational income per square metre for the year ended 30 June 2018



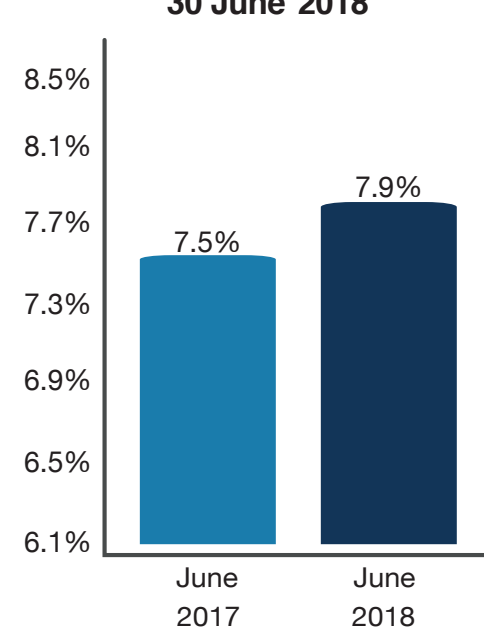
Vacancy as at 30 June 2018



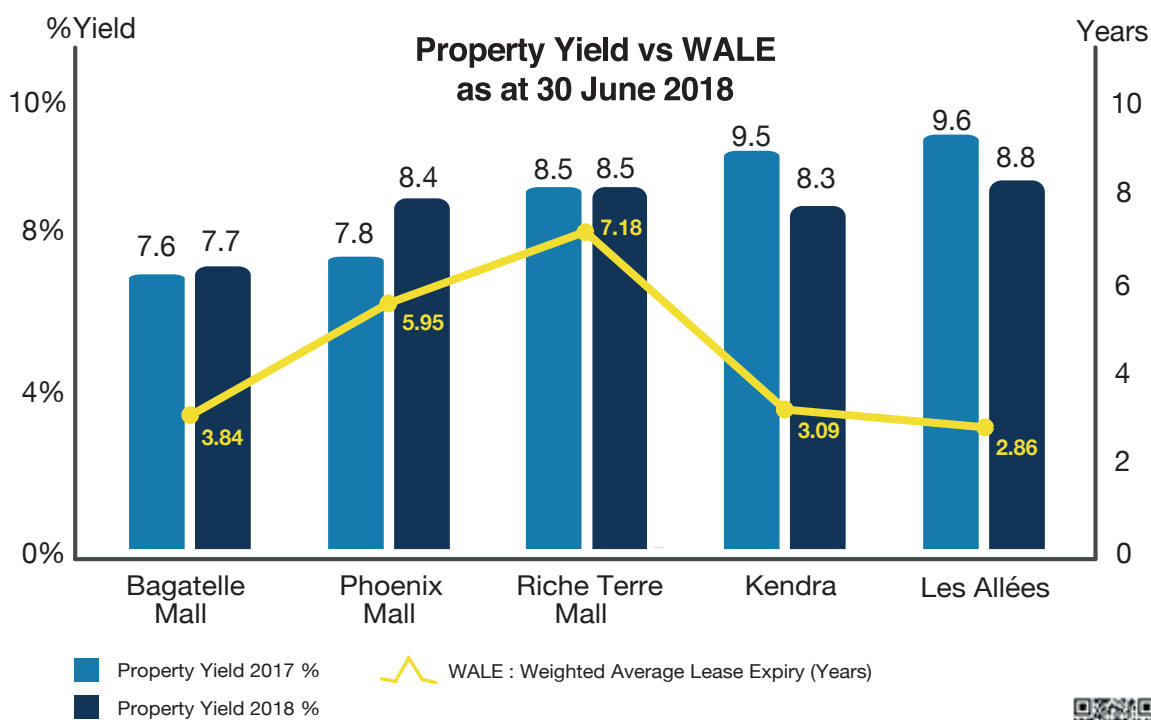
Tenant turnover per square metre for the year ended 30 June 2018



Ratio of gross rental to tenant turnover for the year ended 30 June 2018



Property Yield vs WALE as at 30 June 2018



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In Rs 000	Audited year ended 30 June 2018	Restated year ended 30 June 2017
Continuing operations		
Revenue		
Operational revenue	1,174,443	1,052,085
Other operating income	28,514	19,002
Total revenue	1,202,957	1,071,087
Direct operating expenses arising from investment properties	(359,524)	(328,653)
Net operational income	843,433	742,434
Investment and other income	17,693	14,239
Administrative expenses	(136,120)	(110,838)
Operating profit	725,006	645,835
Profit on disposal of investment properties	-	2,303
Increase in fair value of investment properties	497,163	657,007
Share of profit/(loss) in joint venture	30,553	(6,422)
Profit before finance costs	1,252,722	1,298,723
Finance costs	(261,232)	(265,617)
Profit before tax	991,490	1,033,106
Income tax expense	(83,595)	(74,233)
Profit for the year from continuing operations	907,895	958,873
Discontinued operations		
Post tax loss from discontinued operations	(18,351)	(7,358)
Profit for the year	889,544	951,515
Other comprehensive income	-	-
Total comprehensive income for the year	889,544	951,515
Total comprehensive income attributable to:		
- Ordinary equity holders of the parent	870,226	864,359
- Non-controlling interests	19,318	87,156
	889,544	951,515
Class A ordinary share		
Number of shares in issue	482,019,385	432,770,316
Weighted average number of shares in issue	452,776,447	423,325,161
Basic earnings per share (Rs)	1.91	2.04
Diluted earnings per share (Rs)	1.89	1.99
Interim dividend per share (Rs)	0.30	0.20
Final dividend per share (Rs)	0.45	0.30
Net asset value per share (Rs)	15.10	14.05

STATEMENTS OF FINANCIAL POSITION

In Rs 000	Audited year ended 30 June 2018	Restated year ended 30 June 2017	Restated 01 July 2016
ASSETS			
Investment properties	11,160,054	10,663,787	10,287,159
Equipment	24,622	19,812	10,010
Investment in joint venture	130,478	99,925	64,347
Intangible assets	-	12,554	12,554
Current assets	1,098,475	344,592	466,695
Non-current assets classified as held for sale	71,567	657,785	-
Total assets	12,485,196	11,798,455	10,840,765
EQUITY AND LIABILITIES			
Shareholders' equity			
Stated capital	4,362,734	3,699,505	3,602,171
Retained earnings	2,914,455	2,380,432	1,727,723
Non-controlling interests	-	610,878	549,972
Total equity	7,277,189	6,690,815	5,879,866
Non-current liabilities			
Borrowings	4,101,464	3,908,250	3,656,436
Other liabilities	664,668	652,337	627,076
Total non-current liabilities	4,766,132	4,560,587	4,283,512
Current liabilities			
Borrowings	5,385	50,571	261,766
Other liabilities	396,880	320,005	415,621
Total current liabilities	402,265	370,576	677,387
Liabilities directly associated with non-current assets classified as held for sale	39,610	176,477	-
Total equity and liabilities	12,485,196	11,798,455	10,840,765

STATEMENTS OF CASH FLOWS

In Rs 000	Audited year ended 30 June 2018	Restated year ended 30 June 2017
Net cash generated from operating activities	723,798	682,948
Net cash used in investing activities	(19,532)	(415,210)
Net cash used in financing activities	(398,710)	(288,723)
Net cash flows from / (used in) discontinued operations	458,825	(47,909)
Net increase/(decrease) in cash and cash equivalents	764,381	(68,894)
Cash and cash equivalents - opening	228,156	297,050
Cash and cash equivalents - closing	992,337	228,156

STATEMENTS OF CHANGES IN EQUITY

In Rs 000	Stated Capital	Retained Earnings	Non-Controlling Interests	Total Equity
Balance at 01 July 2016				
As previously reported	3,602,171	1,746,612	549,972	5,898,755
Prior year adjustment	-	(18,889)	-	(18,889)
As restated	3,602,171	1,727,723	549,972	5,879,866
Conversion of preference shares	97,334	-	-	97,334
Total comprehensive income for the year - restated	-	864,359	87,156	951,515
Dividends	-	(211,650)	(26,250)	(237,900)
At 30 June, 2017	3,699,505	2,380,432	610,878	6,690,815
Balance at 01 July, 2017				
As previously reported	3,699,505	2,407,835	610,878	6,718,218
Prior year adjustment	-	(27,403)	-	(27,403)
As restated	3,699,505	2,380,432	610,878	6,690,815
Issue of shares	607,609	-	-	607,609
Conversion of preference shares	55,620	-	-	55,620
Total comprehensive income for the year	-	870,226	19,318	889,544
Dividends	-	(345,105)	(13,685)	(358,790)
Acquisition of non-controlling interest	-	8,902	(616,511)	(607,609)
At 30 June, 2018	4,362,734	2,914,455	-	7,277,189

