

Safari Investments RSA Ltd  
 (Approved as a REIT by the JSE Limited)  
 (Registration number: 2000/015002/06)  
 JSE Code: SAR  
 ISIN: ZAE000188280  
 Country of incorporation: Republic of South Africa (7 July 2000)  
 ("the company" or "the group" or "Safari")

www.safari-investments.com

Condensed consolidated reviewed interim financial results  
 for the six months ended 30 September 2016

Income-generating retail portfolio  
 for the six months ended 30 September 2016

	Denlyn	Atlyn	Maunde
Geographic	Mamelodi, Gauteng	Atteridgeville, Gauteng	Atteridgeville, Gauteng
Trading since	2003	2006	2015
Total built area	42 200m2	41 200m2	10 550m2
Occupation levels	100%	100%	82%
National tenants	93%	92%	64%
Number of shops	106	95	31
Annual trading density/m2 September 2016*	R44 000/m2	R30 500/m2	R14 300/m2
Year on year growth in trading density	14%	13%	N/A

	Thabong	The Victorian	Soweto Private Day-hospital
Geographic	Sebokeng, Gauteng	Heidelberg, Gauteng	Soweto, Gauteng
Trading since	2007	1997	2016
Total built area	43 100m2	15 400m2	2 817m2
Occupation levels	99%	97%	100%
National tenants	88%	93%	N/A
Number of shops	104	40	N/A
Annual trading density/m2 September 2016*	R24 100/m2	R40 700/m2	N/A
Year on year growth in trading density	11%	13%	N/A

\*This excludes furniture and financial services.

National average trading density: R28 400/m<sup>2</sup> (centres in category of Atlyn, Denlyn and Thabong) and R37 200/m<sup>2</sup> (centres in category of The Victorian and Maunde). The total built area of the property portfolio increased to 182 267m<sup>2</sup>.

(Source: IPD Q2 2016).

Condensed consolidated statement of financial position  
as at 30 September 2016

		Reviewed 30 September 2016 R'000	Reviewed 30 September 2015 R'000	Audited 31 March 2016 R'000
	Notes			
<b>Assets</b>				
<b>Non-current assets</b>				
Investment property	1	2 212 487	1 914 493	2 054 690
Fair value of investment property		2 243 481	1 946 816	2 088 584
Operating lease asset		(30 994)	(32 323)	(33 894)
Intangible assets		9	20	14
Operating lease asset	2	27 409	28 645	27 809
		2 239 905	1 943 158	2 082 513
<b>Current assets</b>				
Inventories	3	142 077	50 154	96 905
Trade and other receivables	5	50 496	18 724	28 829
Operating lease asset	2	3 585	3 678	6 085
Current tax receivable		1 638	1 638	1 638
Cash and cash equivalents		3 031	2 933	3 398
		200 827	77 127	136 855
<b>Total assets</b>		<b>2 440 732</b>	<b>2 020 285</b>	<b>2 219 368</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Stated capital	4	1 154 020	1 047 895	1 116 566
Retained income		410 719	467 508	439 466
		1 564 739	1 515 403	1 556 032
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest bearing borrowings	6	842 250	390 738	627 233
Deferred tax		19 678	15 260	18 478

		861 928	405 998	645 711
Current liabilities				
Trade and other payables	5	14 065	14 409	11 096
Interest bearing borrowings	6	-	84 475	6 529
		14 065	98 884	17 625
Total liabilities		875 993	504 882	663 336
Total equity and liabilities		2 440 732	2 020 285	2 219 368

Condensed consolidated statement of comprehensive income  
for the six months ended 30 September 2016

		Reviewed Interim 30 September 2016 R'000	Reviewed Interim 30 September 2015 R'000	Audited 31 March 2016 R'000
	Notes			
Revenue		91 933	80 907	171 631
Property revenue	7	94 833	79 902	169 055
Operating lease	2	(2 900)	1 005	2 576
Other income		2 546	624	1 185
Operating expenses	8	(29 920)	(21 708)	(48 687)
Operating profit		64 559	59 823	124 129
Interest income		101	410	465
Finance costs		(33 909)	(13 416)	(36 254)
Fair value adjustment		-	-	(4 997)
Profit before taxation		30 751	46 817	83 343
Taxation		(1 200)	1 418	(1 800)
Profit for the period		29 551	48 235	81 543
Other comprehensive income		-	-	-
Total comprehensive income for the period		29 551	48 235	81 543
Earnings and diluted earnings per share (cents)		16	28	46

Explanatory notes to the condensed consolidated statement of financial position and condensed consolidated statement of comprehensive income for the six months ended 30 September 2016

1. It is the group's policy to have the investment property portfolio valued on an annual basis by an independent valuator. The previous valuation was done on 31 March 2016 and the next valuation will be done on 31 March 2017. These valuations are considered to be Level 3 on the

fair value hierarchy as per IFRS 13 Fair Value Measurement. There have been no movements of inputs between fair value hierarchy levels nor have there been any changes in the methods of valuation as mentioned above. If the valuator were to increase both the capitalisation and discount rates by 0,50% the total valuation would decrease by R88 300 000. The expansion of Thabong Shopping Centre in Sebokeng, Denlyn Shopping Centre in Mamelodi and the Victorian shopping centre in Heidelberg, together with the completion of earth works of the Nkomo street property in Atteridgeville and continued construction of the Platz am Meer property in Swakopmund resulted in an 8% increase in the value of investment property since 31 March 2016. The construction costs are financed by a R900 million Absa facility (interest bearing borrowings).

2. Most of Safari's current lease agreements are in the second half of the lease term. Renewals are negotiated well in advance with an average annual escalation in excess of 8%.

3. Luxury upmarket residential units are currently under construction on 30% of Erf 71, Swakopmund, Erongo Region, Registration division G, measuring 8 712m<sup>2</sup>. The 36 luxury upmarket apartments will be available for sale in the ordinary course of business.

4. Safari raised in total R5,9 million (equating to 740 964 ordinary Safari shares) through the dividend reinvestment process during June 2016. Shareholders had the option to reinvest their distribution in ordinary shares at a price of R8 per share. The capital raised through the dividend reinvestment process was utilised to settle part of the facility used to finance the construction of current projects.

In the 2017 financial year Safari will distribute a minimum of 75% of its profits to the shareholders as per the REIT requirements, and the shareholders will be liable for the tax on the profit distributed.

5. Trade and other receivables fluctuated between the comparative periods, due to the Value Added Tax ("VAT") receivable from the South African/Namibian Revenue Services for the financial period under review. The VAT receivable is due to the current construction projects at the various properties and a substantial amount was received from the Namibian Revenue Service subsequent to 30 September 2016.

Trade and other payables consist of deposits (tenants) held at current retail centres, income received in advance and accrued expenses.

6. The bulk of current and non-current liabilities were directly related to the facility being utilised to finance the project development of the Platz am Meer Waterfront Centre and expansions to existing properties as mentioned in note 1 above. This resulted in a significant increase in finance cost for the period. Also to be noted is the increase in the prime lending rate coupled with an increase in facility lending rate.

7. The September 2016 interim property revenue increased by 19% compared to the September 2015 interim figure. The increase is a result of annual rental escalations and an improved tenant mix together with expansions at Thabong Centre and the completion of Maunde Shopping Centre which commenced trading during August 2015. Furthermore the Soweto Private Day-hospital which now also forms part of Safari's property portfolio has been generating rental income since January 2016.

8. The September 2016 interim operating expenses increased by 38% compared to the September 2015 interim figure due to a significant back-dated increase in the Sebokeng property's rates and taxes and bond facility fees on the new Absa R900 million loan facility. It must be noted that if the above is not taken into account the operation expenses would have remained at a healthy 29%.

Condensed consolidated statement of cash flows  
for the six months ended 30 September 2016

	Reviewed Interim 30 September 2016 R'000	Reviewed Interim 30 September 2015 R'000	Audited 31 March 2016 R'000
Cash flows from operating activities			
Cash generated from operations	3 595	41 372	43 946
Interest income	101	410	465
REIT distribution	(52 371)	(42 166)	(88 303)
Finance costs	(33 909)	(13 416)	(36 254)
Tax received	-	4 295	4 295
Net cash used in operating activities	(82 584)	(9 505)	(75 851)
Net cash used in investing activities			
Purchase of investment property and cost capitalised	(157 797)	(208 066)	(353 260)
Net cash used in investing activities	(157 797)	(208 066)	(353 260)
Net cash received from financing activities			
Proceeds on share issue	31 526	(86)	53 371
Proceeds from interest bearing borrowings	340 307	303 051	587 061
Repayment of interest bearing borrowings	(131 819)	(91 229)	(216 691)
Net cash from financing activities	240 014	211 736	423 741
Total cash movement for the period	(367)	(5 835)	(5 370)
Cash at the beginning of the period	3 398	8 768	8 768
Total cash at the end of the period	3 031	2 933	3 398

Condensed consolidated statement of changes in equity  
for the six months ended 30 September 2016

	Share capital/ stated capital R' 000	Retained income R' 000	Total equity R' 000
Balance at 1 April 2015 (Audited)	1 031 571	477 850	1 509 421
Profit for the year	-	81 543	81 543
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	81 543	81 543
Capital raising fee on shares paid for and issued in the current year	(718)	-	(718)
Shares issued through capitalisation dividend	16 410	-	16 410
Shares issued through capitalisation dividend	15 214	-	15 214
Shares issued through rights offer	54 089	-	54 089
REIT distribution	-	(119 927)	(119 927)
Total contributions by and distributions to owners of company recognised directly in equity	84 995	(119 927)	(34 932)
Balance at 1 April 2016 (Audited)	1 116 566	439 466	1 556 032
Profit for the year	-	29 551	29 551
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	29 551	29 551
Shares issued through capitalisation dividend	5 928	-	5 928
Shares issued through private placement	31 579	-	31 579
Capital raising fee on shares paid for and issued in the current year	(53)	-	(53)
REIT distribution	-	(58 298)	(58 298)
Total contributions by and distributions to owners of company recognised directly	37 454	(58 298)	(20 844)

in equity

Balance at 30 September 2016 (Reviewed)	1 154 020	410 719	1 564 739
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Earnings per share  
for the six months ended 30 September 2016

	Reviewed Interim 30 September 2016	Reviewed Interim 30 September 2015	Audited 31 March 2016
Earnings used in the calculation of basic earnings per share ('000)	29 551	48 235	81 543
Ordinary shares in issue ( '000)	186 871	174 262	182 182
Weighted average number of ordinary shares (R'000)	183 102	172 792	177 386
Headline earnings (R'000)	29 551	48 235	83 964
Headline earnings per share (cents)	16	28	47
Diluted headline earnings per shares (cents)	16	28	46
Basic and diluted earnings per shares (cents)	16	28	46
Headline earnings reconciliation			
Basic earnings (profit after tax) (R'000)	29 551	48 235	81 543
Gains and losses from the adjustment to the fair value of non-current assets (R'000)	-	-	2 421
Headline earnings (R'000)	29 551	48 235	83 964

Net asset value per share  
for the six months ended 30 September 2016

	Reviewed Interim 30 September 2016 R'000	Reviewed Interim 30 September 2015 R'000	Audited 31 March 2016 R'000
Total assets	2 440 732	2 020 285	2 219 368
Total liabilities	(875 993)	(504 882)	(663 336)
	1 564 739	1 515 403	1 556 032

Ordinary shares in issue	186 871	174 262	182 182
Net asset value per share (cents)	837	870	854
Tangible net asset value (cents)	837	870	854

Condensed consolidated segmental report  
for the six months ended 30 September 2016

	Atteridgeville R' 000	Mamelodi R' 000	Sebokeng R' 000
30 September 2016 (Reviewed)			
Turnover (external)	27 586	30 887	21 949
Reportable segment profit before investment revenue, fair value adjustments and finance costs	21 046	26 144	14 653
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	-	-	-
Profit before investment revenue, fair value adjustments and finance costs	-	-	-
Segment assets and liabilities			
Segment assets	602 010	594 201	401 344
Unallocated assets	-	-	-
Total assets	602 010	594 201	401 344
Segment liabilities	4 435	3 493	3 287
Unallocated liabilities	-	-	-
Interest bearing borrowings	-	-	-
Total liabilities	4 435	3 493	3 287
Other segment items			
Interest revenue (external)	15	19	16
Unallocated interest revenue	-	-	-
Investment revenue	15	19	16
Fair value adjustments	-	-	-
Interest expense	-	-	-
Unallocated interest expense	-	-	-
Finance costs	-	-	-



	Heidelberg R'000	Namibia R'000	Recon- ciliation R'000	Total R'000
30 September 2016 (Reviewed)				
Turnover (external)	7 623	579	3 309	91 933
Reportable segment profit before investment revenue, fair value adjustments and finance costs	4 942	251	-	67 036
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	-	-	(2 477)	(2 477)
Profit before investment revenue, fair value adjustments and finance costs	-	-	-	64 559
Segment assets and liabilities				
Segment assets	148 577	612 093	-	2 358 225
Unallocated assets	-	-	82 507	82 507
Total assets	148 577	612 093	82 507	2 440 732
Segment liabilities	912	1 335	-	13 462
Unallocated liabilities	-	-	20 281	20 281
Interest bearing borrowings	-	-	842 250	842 250
Total liabilities	912	1 335	862 531	875 993
Other segment items				
Interest revenue (external)	2	-	-	52
Unallocated interest revenue	-	-	49	49
Investment revenue	2	-	49	101
Fair value adjustments	-	-	-	-
Interest expense	-	-	-	-
Unallocated interest expense	-	-	(33 909)	(33 909)
Finance costs	-	-	(33 909)	(33 909)
	Atteridgeville		Mamelodi	Sebokeng

	R'000	R'000	R'000
30 September 2015 (Reviewed)			
Turnover (external)	20 938	26 973	23 329
Reportable segment profit before investment revenue, fair value adjustments and finance costs	17 017	22 218	16 746
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	-	-	-
Profit before investment revenue, fair value adjustments and finance costs			
Segment assets and liabilities			
Segment assets	439 639	530 422	415 052
Unallocated assets	-	-	-
Total assets	439 639	530 422	415 052
Segment liabilities	2 445	4 309	3 457
Unallocated liabilities	-	-	-
Total liabilities	2 445	4 309	3 457
Other segment items			
Interest revenue (external)	1	2	4
Unallocated interest revenue	-	-	-
Investment revenue	1	2	4
Fair value adjustments	-	-	-
Interest expense	-	-	6
Unallocated interest expense	-	-	-
Finance costs	-	-	6

	Heidelberg R'000	Maunde R'000	Namibia R'000
30 September 2015 (Reviewed)			
Turnover (external)	7 349	2 302	15
Reportable segment profit before investment revenue, fair value adjustments and finance costs	5 012	1 934	(424)
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	-	-	-

Profit before investment revenue, fair value adjustments and finance costs			
Segment assets and liabilities			
Segment assets	148 702	151 931	288 776
Unallocated assets	-	-	-
Total assets	148 702	151 931	288 776
Segment liabilities	812	928	-
Unallocated liabilities	-	-	-
Total liabilities	812	928	-
Other segment items			
Interest revenue (external)	1	-	2
Unallocated interest revenue	-	-	-
Investment revenue	1	-	2
Fair value adjustments	-	-	-
Interest expense	-	-	-
Unallocated interest expense	-	-	-
Finance costs	-	-	-

	Reconciliation R' 000	Total R' 000
30 September 2015 (Reviewed)		
Turnover (external)	-	80 906
Reportable segment profit before investment revenue, fair value adjustments and finance costs	-	62 503
Unallocated reportable segment profit before investment revenue, fair value adjustments and finance costs	(2 680)	(2 680)
Profit before investment revenue, fair value adjustments and finance costs		59 823
Segment assets and liabilities		
Segment assets	-	1 974 522
Unallocated assets	45 763	45 763
Total assets	45 763	2 020 285
Segment liabilities	-	11 951
Unallocated liabilities	492 931	492 931
Total liabilities	492 931	504 882
Other segment items		
Interest revenue (external)	-	10

Unallocated interest revenue	400	400
Investment revenue	400	410
Fair value adjustments	-	-
Interest expense	-	6
Unallocated interest expense	13 410	13 410
Finance costs	13 410	13 416

#### Notes to the condensed consolidated reviewed financial statements

##### Basis of preparation

The preparation of the group's interim financial results for the six months ended 30 September 2016 was the responsibility of the financial director, Mr JZ Engelbrecht, executed by the financial manager, Mr MC Basson. The consolidated reviewed interim financial statements are prepared in accordance with and containing the information required by International Financial Reporting Standards, (IFRS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous consolidated annual financial statements.

##### Financial statements

The interim financial results have been reviewed by Deloitte & Touche in accordance with ISRE 2410 - "Review of interim financial information performed by the independent auditor of the entity". The review report issued by Deloitte & Touche is unmodified and is available for inspection at the issuer's registered office. The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report, together with the accompanying financial information, from the issuer's registered office. The review report can be obtained at Safari's registered office or on the website: [www.safari-investments.com](http://www.safari-investments.com). The directors take full responsibility for the preparation of the interim consolidated financial results.

Any reference to future financial information included in this announcement has not been reviewed or reported by the auditor.

The interim consolidated financial statements were approved by the Board of Directors on 15 November 2016.

##### New standards and interpretations

The accounting policies of the group have been applied consistently with the policies as presented in the consolidated financial statements for the year ended 31 March 2016.

##### Events during and subsequent to the reporting period

###### Events during the financial period

On 27 June 2016 a distribution of 32 cents per share was declared, with the option to reinvest the distribution in exchange for ordinary Safari shares. A total of 740 964 new shares were issued to shareholders who

elected the reinvestment option. On 27 July 2016, 3 947 368 new shares were issued to various existing shareholders through a private placement at R8,00 per share with a total investment value of R31,6 million.

At the Annual General Meeting held on 27 July 2016 all resolutions were passed and Dr M Minnaar and Mr AE Wentzel were re-elected as non-executive directors who retired by rotation in terms of the memorandum of incorporation and being eligible offered themselves for re-election. Mr JC Verwayen resigned as a non-executive alternate director with effect from 31 July 2016.

No further investments were approved by the Board of Safari at the 31 August 2016 board meeting.

Events subsequent to the financial period

The Board of Directors of Safari approved a gross cash distribution of 32 cents per ordinary share to be paid during December 2016, subject to adherence to the solvency and liquidity requirements as stated in the Companies Act (71 of 2008). Shareholders will be able to elect to reinvest the cash distribution in return for ordinary Safari shares.

A circular providing detailed information in respect of the cash distribution and the reinvestment alternative was distributed to all Safari shareholders on 16 November 2016 and a SENS announcement was published on 15 November 2016.

Safari's Board approved the issue of shares as part of a capital raising process on 2 November 2016. This will be subject to shareholder approval at a Special General Meeting to be held early 2017. A circular with more detail regarding the new share issue and Special General Meeting, will be circulated to shareholders in due course.

At the board meeting held on 2 November 2016 the Board of Safari approved an additional capital expenditure amounting to R4,9 million being the construction of a left-in from Maunde Street at Safari's Maunde Shopping Centre. This will enhance the accessibility to the centre from the main access route to Atteridgeville. Furthermore the Board of Safari approved a N\$100 million loan facility with Bank Windhoek for Safari Investments Namibia.

The directors are not aware of any other material reportable events which occurred during and subsequent to the reporting period.

Related-party transactions

All related-party transactions are as per approved agreements.

Cosmos Management CC ("Cosmos") provided bookkeeping and property management services to Safari and is a related party due to the common directorship. The services rendered by Cosmos amounted to R2,8 million (30 September 2015: R2,1 million).

Safari Retail Proprietary Limited ("Retail") provided leasing and administration services to Safari and is a related party due to the common directorship. The services rendered by Retail amounted to R0,9 million (30 September 2015: R0,5 million).

During previous financial periods, various development agreements were entered into between Safari Investments RSA Limited ("investor") and

Safari Developments (Pretoria) Proprietary Limited ("developer") and in Namibia between Safari Investments Namibia Proprietary Limited and Safari Developments Swakopmund Proprietary Limited. Safari Investments RSA Limited provides the necessary funds to cover the development cost. The agreed upon development cost will be paid over to the developer by way of progress payments as agreed by the investor and developer. Once the project is complete, the developer will hand the project over to the investor.

#### Board commentary

##### Profile

Safari Investments RSA Limited ("Safari"), with a total asset base of R2,4 billion, is a retail-focused Real Estate Investment Trust ("REIT") listed on the Johannesburg Stock Exchange Limited ("JSE") main board under the property section. On 27 June 2016 a distribution of 32 cents per share was declared, with the option to reinvest the distribution in exchange for ordinary Safari shares. A total of 740 964 shares were issued to shareholders electing to reinvest their distribution.

Safari invests in quality income-generating property and revenue is generated through sustainable rental income. There were no significant changes to the nature of the business during the financial period under review.

##### Property portfolio

- The property portfolio consists of nineteen properties. Six of the properties are established/income-generating retail centres, of which three are serving as regionals in their areas. These include Denlyn in Mamelodi (42 200m<sup>2</sup>); Atlyn (41 200m<sup>2</sup>) and Maunde (10 550m<sup>2</sup>) in Atteridgeville; Thabong in Sebokeng (43 100m<sup>2</sup>); The Victorian in Heidelberg (15 400m<sup>2</sup>) and Platz am Meer (27 000m<sup>2</sup>) that opened for trading on 22 September 2016 and Safari's first private day-hospital (2 817m<sup>2</sup>) in Soweto with Advanced Health Limited which became operational during February 2016. An investment in solar panels was also completed at the Denlyn, Atlyn and Maunde shopping centres in the current reporting period generating further investment revenue. In the prior financial period, Safari also acquired six properties situated in Lynnwood, Pretoria, with an aggregate land size of 1,3 hectares which is held for potential future development. There are residential units on some of these properties for which occupational rent is charged.

##### Letting activity

Safari's vacancy factor in its portfolio as at 30 September 2016 was 2% (2015: 3%) of the total income-generating space. The average annual rental escalation percentage for the period was 8,3% (2015: 8,0%).

##### Current projects

###### Atteridgeville

- The earth works on Nkomo Village development in Atteridgeville were completed in the current reporting period. The development, close to the existing Saulsville Station, will have a total gross lettable area of 16 705m<sup>2</sup> and the total investment value is R314 million. This retail centre will be co-anchored by Pick n Pay and Boxer. The first Builder's Warehouse Superstore, Virgin Active and McDonalds are brought to the Atteridgeville community. Nkomo Village is set to open in April 2018.

###### Sebokeng

- At Thabong Centre the Builders Warehouse Superstore of approximately 1 500m<sup>2</sup> is nearing completion and is set to open its doors for trading during October 2016.

#### Swakopmund

- Construction of the retail portion of the development, known as Platz am Meer, has been finalised and commenced trading on 22 September 2016. The centre has been received with a great deal of excitement from the Swakopmund community. In all, 36 luxury upmarket apartments are developed as part of this mixed-use development. The development thereof is set to be completed early 2017.

- The location of the development is strategically incomparable. New developments to the north of town are changing the patterns and flow of traffic and business completely. Considering the spatial development plan of Swakopmund, it is expected that within a few years this waterfront site will be at the centre of the town's northerly developments.

- It comprises a mixed-use development of retail, office and upmarket residential apartments. The apartments will be sold after completion. The waterfront development is truly unique and a special addition to the coastal town of Swakopmund, strengthening the town's tourist attractiveness.

#### Denlyn

- The 1 250m<sup>2</sup> expansion of the Denlyn Shopping Centre is nearing completion. This will further enhance the tenant mix of Denlyn with the addition of national retailers such as Shoe City, Footgear, Pep Cell and Cross Trainer set to commence trading on 1 November 2016.

#### Financial performance

- Headline earnings decreased from R48 million to R29 million compared with the same period for the previous year. As stated in the notes to the financial statements, the decrease is directly related to the increase of R20 million in finance cost. Headline earnings per share (cents) decreased by 43% to 16 cents per share, compared with 28 cents per share for the comparative period.

#### Funding

Safari's secured loan facility was increased to R900 million in April 2016. Currently the debt represents 34% of the total value of assets and the cost of finance is at the prime lending rate less 1,05%. The prime lending rate increased by 1% compared to the comparative period.

#### Credit rating

During October 2016 Safari received its second credit rating from Global Credit Rating Co. (GCR):

- National Long term: BBB (ZA) 1
- National Short term: A2 (ZA) 2

It remained unchanged from the previous financial year.

(1) Adequate protection factors and considered sufficient for prudent investment. However, there is considerable variability in risk during economic cycles.

(2) Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total

financing requirements, access to capital market is good. Risk factors are small.

Source: Global Credit Rating

#### 2016 Annual General Meeting

Safari's Annual General Meeting was held on 27 July 2016. All resolutions proposed were passed and the minutes of the meeting are available on [www.safari-investments.com](http://www.safari-investments.com).

#### Directorate

At the 2016 Annual General Meeting Dr M Minnaar and Mr AE Wentzel were re-elected as non-executives who retired by rotation in terms of the memorandum of incorporation and, being eligible, offered themselves for re-election. Mr JC Verwayen resigned as a non-executive alternate director with effect from 31 July 2016.

Declaration of a cash distribution with the option to reinvest the cash distribution in ordinary Safari shares

Shareholders are advised that the Board of Directors of Safari has approved a gross cash distribution of 32 cents per ordinary share to be paid during December 2016, after the Board applied its mind and adhered to the solvency and liquidity requirements as stated in the Companies Act (71 of 2008). Shareholders will be able to elect to reinvest the cash distribution in return for ordinary shares.

A circular providing detailed information in respect of the cash distribution and the reinvestment alternative was distributed to all Safari shareholders and relevant details were announced on SENS.

#### Prospects

The Board is committed to maximising the rental income streams with the proactive letting strategy focused on national tenants, and minimising the operating expenditure. The Board will focus on opportunities in order to achieve sustainable long-term, recurring distributable earnings. The capital to be raised will be utilised to complete pipeline projects and reduce existing debt resulting in a significant saving on interest to ensure that the company minimises financial risk and limits the exposure associated with high debt levels.

Any forecast in the results has not been reviewed or reported on by the independent external auditors and is the responsibility of the Board.

By order of the Board

17 November 2016

#### Corporate information

##### Auditors

Deloitte & Touche

Riverwalk Office Park, Block B

41 Matroosberg Road, Ashlea Gardens, X6

Pretoria, 0081

##### Commercial banker

Absa Bank Limited

(Registration number: 1986/004794/06)

Absa Towers East

170 Main Street, Johannesburg, 2001



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Group Company Secretary  
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JZ Engelbrecht (executive financial director)  
FN Khanyile (independent non-executive director)  
SJ Kruger (alternate director)  
M Minnaar (independent non-executive director)  
K Pashiou (executive director)  
JP Snyman (independent non-executive chairman)  
AE Wentzel (lead independent non-executive director)

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To view the 2016 interim financial results visit: [www.safari-investments.com](http://www.safari-investments.com)