



two°degrees

Short-form: Summarised Unaudited Results

for the six months ended 30 June 2017



INTERIM DISTRIBUTION OF

✓ **30.00 cents**

PER UNIT

NET ASSET VALUE PER UNIT
INCREASED BY

▲ **3.1%**

TO R9.94

INVESTMENT PROPERTIES
INCREASED BY

▲ **R84 million**

✓ **R2.5 billion**

OF CAPITAL COMMITTED
FOR ASSET ACQUISITION

PORTFOLIO VACANCY RATE
DECREASED TO

▼ **3.3%**

FROM 4.6%

Liberty Two Degrees (L2D) successfully listed as a REIT on the JSE on 6 December 2016 and is required by the Collective Investment Schemes Control Act, 2002 to be structured as a JSE-listed portfolio within a trust with an external independent trustee and an external management company. FirstRand Bank Limited acting through its RMB Trustee Services Division are the appointed Trustee and STANLIB REIT Fund Managers Proprietary Limited (RF) (SRFM) is the appointed Manager to L2D.

L2D acquired its undivided shares in the Liberty Property Portfolio effective 1 December 2016 and commenced its business operation with effect from that date.

DECLARATION OF CASH DISTRIBUTION

The Board of directors of SRFM, the appointed manager to L2D, has declared an interim cash distribution of 30.00 cents per unit, for the six-month period ended 30 June 2017, out of L2D's distributable income.

PROSPECTS

The performance of the L2D assets is underpinned by the quality of the portfolio. In spite of the tough economic environment and the resultant impact on the consumer, the portfolio remains resilient. We are in the process of implementing the acquisition of a further proportional share in the co-owned portfolio to the value of R2.5 billion following the exercise of the PUT option by Liberty. The differential between interest earned (per the pre-listing statement forecasted at 8%) and the net yield earned on the real estate assets acquired, which is calculated as 6.8% may reduce our 2017 distribution set out in the pre-listing statement by 2.5 cents per unit. The net yield is calculated by dividing the expected net property income of these additional properties by the purchase price. The remaining assumptions in the pre-listing statement remain valid. The additional stake in these high quality assets that are already managed by SRFM, enhances the total return of the portfolio going forward. The forecast has not been reviewed or reported on by L2D's independent external auditors. L2D uses distribution per unit as a relevant measure of financial performance.

On behalf of the Board

A Band

Chairman

31 July 2017

A Beattie

Chief executive officer

FINANCIAL RESULTS

	Unaudited Six months ended 30 June 2017	Audited One month ended 31 December 2016
Revenue (R'000)	259 578	43 924
Basic and diluted earnings per unit (cents)	34.52	11.21
Headline earnings per unit (cents)	29.49	4.80
Distribution per unit (cents)	30.00	4.85
Net asset value per unit (Rand)	9.94	9.64

The contents of this short-form announcement are the responsibility of the board of directors of SRFM. This short-form announcement is only a summary of the information in the full announcement and does not contain full or complete details. Any investment decisions made by investors and/or unitholders should be based on consideration of the full announcement as a whole. Unitholders are encouraged to review the full announcement which is available on SENS and on L2D's website. The full announcement is also available for inspection at the registered office of L2D, Liberty Life Centre, 1 Ameshoff Street, Braamfontein, Johannesburg, 2001 or at the office of our sponsor, Java Capital, 6A Sandown Valley Crescent, Sandown, Sandton, 2196. Copies of the full announcement are available to investors at no charge, during normal business hours from 1 August 2017 to 7 August 2017.