

LIBERTY TWO DEGREES LIMITED COMMENCES TRADING ON THE JSE MAINBOARD AS A CORPORATE REIT

Corporate REIT structure aligns with market

- New L2D positioned as a South African precinct focused, retail centred REIT with a proven track record
 - Commitment to strategic pillars of:
 - creating experiential places,
 - managing environments that deliver long-term and sustainable value in the communities we operate in and;
 - delivering on stakeholder commitments.
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[Thursday, 1 November 2018] Liberty Two Degrees (L2D) is pleased to announce the commencement of trading of Liberty Two Degrees Limited (New L2D) on the Main Board of the JSE, following the successful fulfillment of the conditions precedent to the restructuring transactions. The listing follows the conversion of L2D from a Collective Investment Scheme in Property (“CISIP”) to a corporate REIT, the cancellation of the PUT option by Liberty Group for no consideration, the internalisation of the management company which assumes the asset management function of the Liberty Property Portfolio (LPP), as well as the acquisition of R1.2 billion in assets from the LPP.

Commenting on the restructuring, L2D CEO Amelia Beattie commented: ***“This is a significant milestone for us. The new structure enables us to position New L2D for sustainable growth and further unlock shareholder value. This is in addition to driving a property portfolio that will remain anchored on South African, high quality precincts within key nodes with experiential places that are world-class.”***

The acquisition of an additional R1.2 billion in properties from the iconic LPP of certain high quality assets increases New L2D’s share in the LPP to 33.3% and the subsequent value of the portfolio to R10.8 billion. The acquisition spans across office and mixed-use assets, retail and industrial assets and some vacant land. This includes the acquired 25% share in hospitality assets located in Sandton, resulting in a South African precinct focused and retail centred portfolio with an enhanced blended yield.

The L2D management remains a focused team that enables efficient financial, operational and stakeholder management.

L2D Financial Director, José Snyders comments: ***“Maintaining a transparent, consistent and credible disclosure of key measurement operational and financial metrics that are ahead of benchmarks remains a priority. We further aim to take a focused review and application of efficient use of cash to maintain a clean balance sheet.”***

“The introduction of a conservative level of gearing to New L2D’s capital structure serves to reduce the weighted average cost of capital, whilst still providing New L2D with the flexibility to execute on our investment objective and strategy. We further aim to maintain careful cost management to sustain cost to income ratios that are consistent with prior periods and better manage usage.”

As New L2D opened for trading on the JSE today, Beattie concluded: ***“We are committed to creating experiential spaces to enhance our position as a retail leader. Our ability to predict emerging trends to create the future of retail property as well as manage high quality centres, enables us to create communities and environments that deliver long-term and sustainable value to our stakeholders.”***

ENQUIRIES

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NOTES TO EDITORS

About Liberty Two Degrees Limited

Liberty Two Degrees Limited (“New L2D”) is a public company duly incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed on the Main Board of the Johannesburg Stock Exchange under the Diversified Corporate Real Estate Investment Trust sector with effect from 1 November 2018, replacing the delisted Liberty Two Degrees Scheme that was registered by the Registrar of Collective Investments Schemes on 28 October 2016.

Prior to re-launching and listing as a corporate REIT, the undivided shares in the properties Co-owned by the CISIP and comprising its assets were transferred to New L2D, which also acquired an additional undivided share in a market leading portfolio owned by Liberty Group Holdings and LibProp.

About Liberty Two Degrees’ portfolio

The portfolio comprises predominantly retail real-estate assets in South Africa and, following recent acquisitions of shares in Co-owned assets, includes a hospitality segment. In Johannesburg, the retail assets are an interest in the Sandton City Complex, Nelson Mandela Square and the Eastgate Complex. The additions under the hospitality segment comprise an interest in the Sandton Convention Centre, the Garden Court Sandton Hotel, the Sandton Sun Hotel, the InterContinental Sandton Towers Hotel and the Virgin Active and Parkade. Two regional shopping centres, Liberty Midlands Mall in KwaZulu-Natal and Liberty Promenade Mitchells Plain in the Western Cape are also included in the portfolio as well as interests in the mixed-use precinct of Melrose Arch and the newly developed Botshabelo Mall.

The Sandton City Complex is in the economic heartland of the country and showcases some of the most prestigious of international and domestic retailers. The attraction of its long-established iconic presence and the overall quality of the shopping experience make it irreplaceable and confers brand-value and recognition on the portfolio.

Similarly, the Eastgate Complex, with its strong history and recent upgrade, is in a large catchment area with good access. The recently refurbished Nelson Mandela Square is also a destination centre with a good entertainment offering that complements the neighbouring Sandton City Complex. Melrose Arch’s office and retail component supports its status as one of the leading mixed-use precincts in Johannesburg’s high end Northern Suburbs.

Liberty Midlands Mall and Liberty Promenade Mall are large high-quality centres within regional catchment areas positioned for high growth.

In addition to the offices included in the portfolio’s main retail complexes, the portfolio includes select office properties located in key business nodes with blue-chip anchor tenants. These properties include the Standard Bank Centre in Johannesburg, Liberty Centre in Century City Office Park in Cape Town and Liberty Centre in Umhlanga Ridge, Durban. Also included the John Ross Eco-Junction where the Melomed Hospital and other development opportunities provide diversification and higher yield opportunities.