



LIBERTY



Liberty Two Degrees

Investor Presentation

February 2017

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Successful listing in December 2016



R27million saving on forecasted listing costs



Iconic retail portfolio remains resilient in difficult trading conditions



Financial results in line with forecast for first trading month

Financial highlights – period ended 31 December 2016

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Unit price	Distribution	Market value	Net asset value
Listed at 10.00 per unit, closed at 10.50 per unit at 31 Dec 2016. Year end unit price premium to NAV at 8.9%	Distribution per unit declared at 4.85c per participatory unit for one month of trading	Portfolio market value uplift of R52.5 million since listing (one month)	Net asset value per unit growth of 12c per unit for one month's operations to R9.64 per unit

Financial performance


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R'000	One month period ended December 2016
Profit for the year attributable to unit holders	96 566
Less: Adjustments for non-cash items	(52 503)
Equals: Distributable income	44 063
Participatory units in issue '000	908 443
Distribution per unit – cents	4.85



Strategic priorities for the next 12 months

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- Effectively deploy the capital raised in line with the investment strategy
 - Extract value from existing assets to deliver distributions that meet investor expectations
 - Continue to enhance trading environments to capture consumer spend
 - Completion of developments in 2017 to ensure growth in income



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Operational Overview

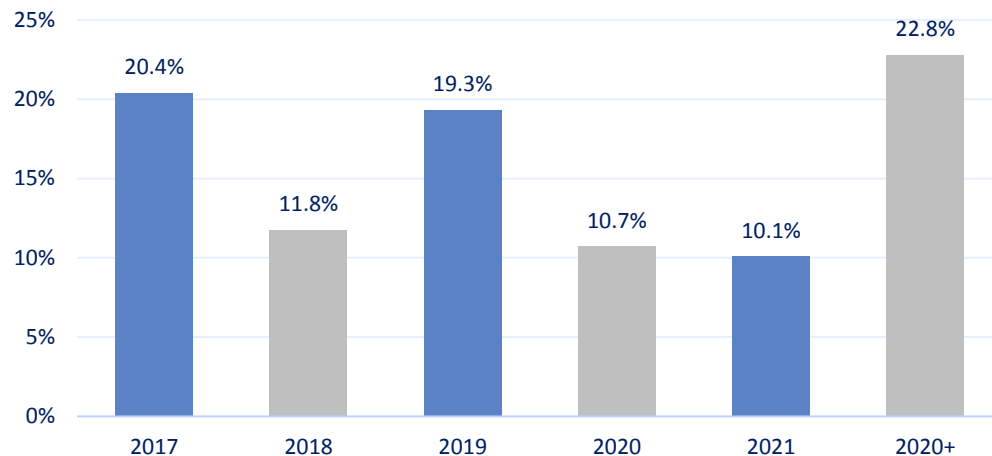
Retail overview

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Performance metrics

Average lease escalations achieved (full year)	6.9%
Cost to income ratio (full year)	25.8%
Expired leases retained (full year)	94.6%
Vacancy rate (Dec 2016)	2.5%
Average R/m ² by gross lettable area (Dec 2016)	R364.81

Expiry profile by gross lettable area - retail



Note: Vacancy rate includes Melrose Arch retail. All other data excludes Melrose Arch.

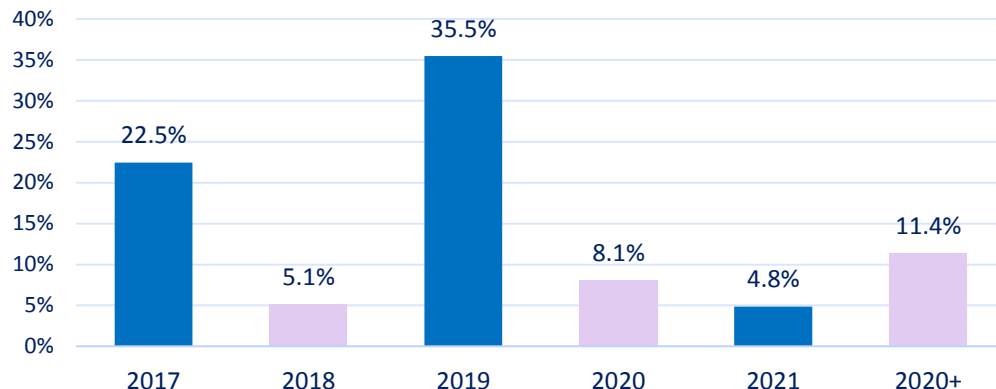
Office portfolio

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Performance metrics

Average lease escalations achieved (full year)	7.5%
Cost to income ratio (full year)	26.0%
Expired leases retained (full year)	97.1%
Vacancy rate (%)	9.6%
Average R/m ² by gross lettable area	R181.95

Expiry profile by gross lettable area - office

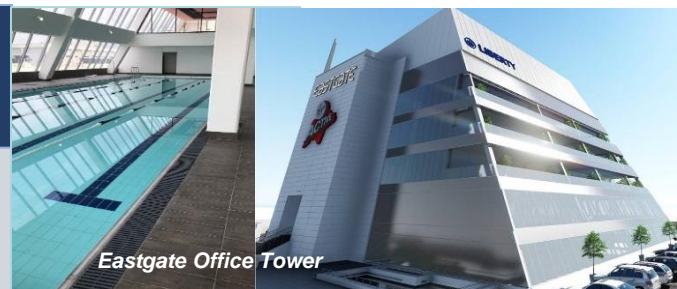


Note: Melrose Arch complex included in the cost to income ratio & average R/m². Vacancy rate reflects Melrose Arch office vacancies only.

Developments update

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Developments in progress	L2D Development Cost (R'm)	Approved Development Cost (R'm)	Commentary
Eastgate Office Tower Completion April 2017	R32,120,000	R146,000,000	Virgin Active took beneficial occupation end of January 2017 and will commence operation during March 2017. The Office Tower is scheduled for completion in April 2017.
Midlands Phase III Completion March 2018	R99,220,000	R451,000,000	Earthworks commenced towards the end of the fourth quarter 2016 and is currently on programme. The leasing is progressing well and it is anticipated that the space will be fully leased by completion.
Melomed Phase I & II Completion June 2017	R69,967,000	R318,033,000	The contractor is on programme to meet the beneficial occupation date of June 2017.



Management team

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Experienced board in place with new independents to join in due course

Established management team in place with all key vacancies filled

Well transformed team with 59% black representation, of which 32% are black female

Reward and recognition aligned to financial outcomes of unitholders borne by Manco



Conclusion

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Premier real estate investment opportunity in resilient retail portfolio



Highly capable and experienced management team



Short term focus will be the growth strategy in South Africa



Completion of the developments in 2017 will contribute to continued sustainable growth



Our objective remains to achieve the pre-listing forecast of 65c per unit distribution for 2017

- This document contains forecasts and forward looking statements that reflect managements expectations as at February 2017.
- The actual results may vary substantially from those forecasted if known and/or unknown variables do not transpire as predicted or if estimates and assumptions prove inaccurate.
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