



## LIBERTY TWO DEGREES RESULTS REFLECTIVE OF A ROBUST PROPERTY PORTFOLIO

- Full year distribution of 59,22 cents per unit
- Net asset value per unit increased to R9.86
- Arrears decreased to 4.6%
- Capital deployed into 95% direct property investments
- Improvement in trading environment

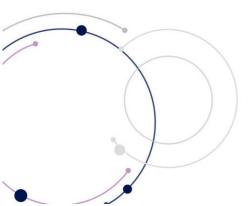
**Monday, 19 February 2018.** Liberty Two Degrees ("L2D") a premier retail and South African focused REIT, today announced its first full year results for the 31 December 2017 period, declaring a full year distribution of 59,22 cents per unit. Net asset value per unit grew to R9.86 as a result of good leasing progress and arrears decreased to 4.6% despite challenging trading conditions.

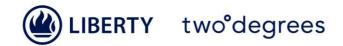
CEO of L2D, Amelia Beattie said, "Our first year since listing was marked by numerous operational accomplishments as well as some headwinds, which included a challenging macroeconomic and political environment, the impact of the PUT option exercised by Liberty, the closure of Stuttafords and Eastgate Shopping Centre's municipal valuation increase, all of which had an impact on our distribution."

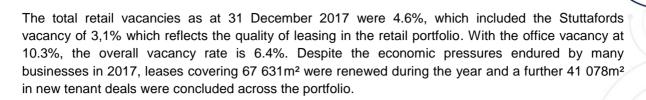
L2D began trading as a REIT on the JSE on 6 December 2016. It manages a R8.71 billion (FY2016: R6.06 billion) portfolio of predominantly retail focused assets, reflecting an increase of R2.65 billion following the conclusion on 1 July 2017 of the acquisition of a further c.9% of the Liberty Property Portfolio ("LPP") for R2.51 billion.

L2D will continue to focus on quality opportunities in South Africa and seek to maintain industry leading operational metrics as well as prudent balance sheet management to support future growth and returns. The management team continues to focus on the future proofing and growth of the portfolio whilst ensuring that L2D benefits from its proven track record, industry expertise and expert knowledge of the portfolio of assets.

"Following the decision by Liberty Group to exercise the PUT option in June 2017, our shareholding in the co-owned Liberty Property Portfolio increased from 22% to 31%. Our active asset management measures proved successful with the Stuttafords space now mostly let, offering a variety of high quality brands to our customers when the new stores open in due course. Good letting activities which positively impacted on the trading environment as well as increased dwell times, set the platform for the fourth quarter of 2017, surprising on the upside.. The portfolio trading density for the fourth quarter grew by 5.1% compared to the corresponding quarter in 2016," Beattie added.







"L2D's balance sheet is well positioned to take on gearing. It is management's strategic intent to use the capacity to fund future quality acquisitions in line with our strategy.

"The strong operational performance of our existing portfolio is evident in the rental income growth achieved, the attraction of new tenants and the implementation of new and innovative technologies to establish premium lifestyle and leisure destinations," commented L2D Financial Director, José Snyders.

L2D is underpinned by strong corporate governance, which promotes the long-term interests of its unitholders, employees and other stakeholders and ensures management accountability. The company has also made good strides in its commitment to transformation with 65% black representation, of which 53% of that is black female representation.

Post year end L2D strengthened its management team, appointing Jonathan Sinden as Chief Operations Officer effective 15 February 2018. He is a Quantity Surveyor with 20 years' experience in the property industry. Prior to occupying his new position, Sinden served his tenure as the Asset Management Executive for Sandton City precinct for the last four years. His wealth of experience and strong technical and retail expertise is an asset to the business.

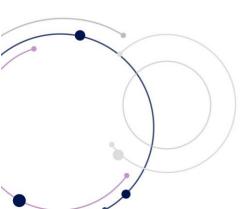
"We continue to believe strongly in our South Africa strategy. Despite the challenges impacting the business in 2017 we are on track to deliver net property income growth of between 7 and 9% in 2018, supported by the emergence of an improved trading environment in the second half of 2017. Our robust property portfolio is well positioned to show continued improvement," concluded Beattie.

**Ends** 

**ENQUIRIES** 

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## **NOTES TO EDITORS**

## **About Liberty Two Degrees**

Liberty Two Degrees is a portfolio created under the Liberty Two Degrees Scheme in terms of the CISCA to afford investors growth in income and capital by investing at fair prices in a balanced spread of immovable properties and related assets permitted by the Trust Deed.

The Liberty Two Degrees Scheme was registered by the Registrar of Collective Investments Schemes on 28 October 2016 and is managed by STANLIB REIT Fund Managers. Liberty Two Degrees acquired an undivided share of the Liberty Property Portfolio immediately prior to the listing.

## About Liberty Two Degrees' portfolio

The portfolio is one of South Africa's iconic, predominantly retail property portfolios with interests in assets such as the Sandton City Complex, the Eastgate Complex and Melrose Arch.

The portfolio comprises predominantly retail real-estate assets in South Africa. In Johannesburg, the retail assets are an interest in the Sandton City Complex, the Eastgate Complex and Nelson Mandela Square. 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.

