PRELIMINARY AUDITED SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' COMMENTARY

NATURE OF THE BUSINESS

Resilient is an internally asset managed Real Estate Investment Trust ("REIT") listed on the JSE Limited. Its strategy is to invest in dominant regional retail centres with a minimum of three anchor tenants and let predominantly to national retailers. A core competency is the successful development of new malls and extensions to existing malls.

Resilient also invests in listed and offshore property-related assets.

DIVIDENDS DECLARED FOR 2019

The Board has declared a final dividend of 267,40 cents per share for the six months ended June 2019. Together with the 263,66 cents per share declared for the interim period, the total dividend for the 2019 financial year amounts to 531,06 cents per share.

COMMENTARY ON RESULTS

SOUTH AFRICA

The majority of Resilient's assets are exposed to the South African economy with tough economic conditions prevailing. In this challenging environment, Resilient's retail centres achieved sales growth of 5,0%. All but four of Resilient's retail centres continued to achieve positive sales growth. The property portfolio can be broadly divided into three categories: Retail centres exposed to commodities which benefitted from firmer markets for some resources; Retail centres exposed to government spending, including social spending, which also performed well; and those situated in the metropolitan areas of Gauteng, three of which recorded negative sales growth.

The comparable sales growth per province is set out below (Limpopo Mall, excluding its taxi centre component, Mams Mall and The Crossing Mokopane were excluded as these properties were under development during the comparable period):

	Comparable sales growth %	Percentage of SA properties by value
Gauteng	2,2	25,0
Northern Cape	3,5	6,4
Eastern Cape	4,9	3,4
Limpopo	4,9	23,0
KwaZulu-Natal	5,2	20,5
North West	7,5	6,0
Mpumalanga	9,3	15,7

Mpumalanga's outstanding performance was largely due to the best performing centre in the portfolio, I'langa Mall, which recorded comparable sales growth of 15,8%. This is as a result of its increased dominance in Mbombela (previously Nelspruit) and the surrounding markets. Secunda Mall again achieved good growth of 7,6%.

The strong performance in the North West is mainly due to Mahikeng Mall's 13,1% sales growth. The mall continued to perform well off a high base and Resilient remains committed to expanding the offering once the required regulatory approvals have been received.

A new mall was developed on the edge of Thohoyandou which negatively affected sales growth of Mvusuludzo Mall for the first six months of the year. The centre returned to growth during the second six months. The Edgars store will close which will facilitate the right-sizing of target retailers.

Mams Mall, which opened in November 2018, is performing well with sales continuously growing on a month-on-month basis.

Resilient actively assesses the tenant profile and mix within each of its centres. On average, expiring leases with tenants that remained in occupation were renewed at a 2,2% increase on expiring rentals. This is largely due to administered costs, particularly rates and taxes and electricity, which are escalating well ahead of inflation and retail sales growth and therefore affect tenants' cost of occupancy. Leases concluded with new tenants were 4,9% higher than the rentals of the outgoing tenants.

Property acquisitions and extensions

Resilient increased its interest in Mahikeng Mall from 85% to 90% at a yield of 8,25% effective from July 2018.

The extension to The Crossing Mokopane was completed in November 2018 at a cost of R80,9 million and a yield of 8,5%. The extension favourably impacted retail sales of the centre with January to June comparable sales growth of 14,6%.

The 57 689m^2 GLA extension to Mams Mall opened on schedule in November 2018. Woolworths and Planet Fitness opened during April 2019 and the freestanding Builders Superstore, adjacent to the mall, commenced trading in June 2019.

The final portion of land required for the extension to Irene Village Mall has been transferred. The local authority has served notices on land owners affected by the planned substantial upgrades to the road network in the area. These upgrades will significantly improve access to the mall. The redesigned extension of Irene Village Mall is being costed for further evaluation by the Board.

Resilient commissioned a further six solar photovoltaic installations during the year. The yields achieved, which range between 10,8% and 22,1%, are in line with projections. A further three Board-approved installations are awaiting local authority approval.

Vacancies

Resilient owns 28 retail centres with a GLA of 1,17 million square metres. Resilient's *pro rata* share of the vacancy was 1,8% at June 2019. Mams Mall (50% owned), which was 10,9% vacant at December 2018, was 4,5% vacant at year-end.

Edcon

Resilient agreed to invest 40,9% of the basic rental received from Edgars, Edgars Beauty, Mac and Jet stores in Edcon Limited shares on a monthly basis between April 2019 and March 2021. Resilient is only including 59,1% of the basic rental on these leases in its distributable earnings. This resulted in an R11,1 million (Resilient's proportionate share) reduction in distributable earnings for the 2019 financial year.

NIGERIA

Resilient owns 60,94% of Resilient Africa in partnership with Shoprite Checkers. Resilient Africa, together with local partners, owns Asaba Mall, Delta Mall and Owerri Mall.

The IMF is forecasting GDP growth to accelerate from 2,1% for 2019 to 2,5% for 2020. Nigeria has signed the African Continental Free Trade Agreement and announced an overhaul of the country's oil policy with a view to expanding oil production. Nigeria's oil production has been in decline for the past six years due to policy constraints. Vacancies in the three retail centres increased to 8,1% at year-end due to the eviction of a national furniture retailer that was in arrears. This space is being reconfigured into smaller units and is expected to be let at higher rentals.

LISTED PORTFOLIO

RESILIENT

	Jun 2019		Jun 2018	
Counter	Number of shares	Fair value R'000	Number of shares	Fair value R'000
Fortress B (FFB)*	**7 474 707**	**90 294**	5 309 515	79 908
NEPI Rockcastle (NRP)	**75 522 449**	**9 773 360**	75 140 000	9 201 644
		9 863 654		9 281 552
Lighthouse (LTE) **	**102 618 098**	**763 479**	2 052 361 996	2 709 119
		10 627 133		11 990 671

* *The shares held at June 2018 were sold on-market during the year. The shares held at June 2019 was acquired from The Resilient Empowerment Trust as detailed below.*

** *During 2019, Lighthouse Capital returned capital to its shareholders and effected a share consolidation at a ratio of 1 for 20. Lighthouse was treated as an associate (equity accounted) and the investment was not fair valued in the financial statements of 2019. The investment was impaired in the 2018 financial statements as its carrying value exceeded its recoverable amount. This impairment was reversed in 2019.*

In addition to the listed investments, Resilient has an R11,1 million investment in Edcon Limited. No revaluation adjustment was recorded on this unlisted investment as no financial information was available from Edcon at June 2019. In light of the recent recapitalisation of the Edcon business, the Board deems the carrying value a reasonable approximation of the fair value of the shares at June 2019.

THE SIYAKHA TRUSTS

	Jun 2019		Jun 2018	
Counter	Number of shares	Fair value R'000	Number of shares	Fair value R'000
Fortress A (FFA)		*	947 525	14 592
Fortress B (FFB)		*	135 870 288	2 044 848
		*		2 059 440
Resilient (RES)**		*	52 182 504	2 935 266
		*		4 994 706

* *In June 2019 shareholders approved the repurchase of 52 182 504 Resilient shares and the acquisition of 7 474 707 Fortress B shares, held as collateral for the loans previously advanced by Resilient, in full settlement of these loans. The Siyakha Education Trust and The Siyakha 2 Education Trust (the "Siyakha Trusts") and The Resilient Empowerment Trust no longer hold any Resilient shares and have no liability to Resilient. The Siyakha Trusts were deconsolidated resulting in a profit on deconsolidation of R2,4 billion, being the reversal of the negative net asset value of the trusts' positions relating to Fortress.*

** *Shares were held in treasury.*

BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("B-BBEE")

Resilient continues to meet bursary commitments to The Resilient Empowerment Trust as part of its CSI initiatives.

Various opportunities to enhance the Group's BEE rating are being explored. These include discussions with two potential investors to increase B-BBEE ownership.

CHANGES TO THE BOARD

Bryan Hopkins retired from the Board on 15 February 2019. Following his retirement, David Brown was appointed chairman of the audit committee. Stuart Bird, the previous CEO of Mr Price Group, joined the Board as an independent non-executive director on 1 February 2019.

FINANCIAL COMMENTARY

Distributable earnings

The operational performance of the portfolio was sound, with the South African portfolio recording net property income growth of 5,1% on a comparable basis (Limpopo Mall, excluding its taxi centre component, Mams Mall and The Crossing Mokopane were excluded and the Edcon adjustment of R11,1 million was taken into account). Distributable earnings are being negatively impacted by increased expenses for repairs and maintenance of electrical items such as the replacement of transformers and air conditioners. This is largely due to the quality of and/or interruptions in the power supply. No fees from trading or development profits were included in distributable earnings. The year-on-year dividends declared are not comparable as a result of the distribution of Fortress B shares to Resilient shareholders in May 2018 and as a consequence there is no income relating to those shares in the current year. If the effect of the Fortress B distribution in the prior year is eliminated, the dividends for 2019 increased by 3,3%. In addition, for six months of the prior year Resilient calculated its dividend by including the amount of interest earned on the loans it advanced to the Siyakha Trusts. This was in the context of the Siyakha Trusts having positive net asset values. No interest earned from the Siyakha Trusts was included in the current year's distributable earnings. Instead Resilient effectively only recognised dividends declared for the same period in respect of the shares held by the Siyakha Trusts.

Property valuations and yield

Jones Lang LaSalle Proprietary Limited ("JLL") valued the South African property portfolio at June 2019. Resilient's share of the South African portfolio was revalued upwards by 2,0% (R453,8 million). Resilient's share of the devaluation of the Nigerian properties amounted to USD2,4 million, as valued by CBRE Excellerate. The average annualised property yield was 8,0% at June 2019 and 32,5% of the Group's total direct and indirect property assets were offshore assets.

Funding, facilities and interest rate derivatives

Following the receipt of the proceeds from the disposal of the Portuguese assets of R1,1 billion and R2,2 billion received as a return of capital from Lighthouse, Resilient repaid R915 million of notes under its DMTN programme with the balance settling expiring bank facilities or being deposited into access facilities.

Resilient has not provided any of its listed investments as security for bank facilities and the Group has R3,02 billion of investment property (excluding land) unbonded. The Group continues to receive support from its banking partners.

Facility expiry	Amount 'million	Average margin
South Africa		
Jun 2020	R3 154	3-month Jibar+1,69%
Jun 2021	R2 655	3-month Jibar+1,87%
Jun 2022	R2 428	3-month Jibar+1,87%
Jun 2023	R3 291	3-month Jibar+1,73%
Jun 2024	R270	3-month Jibar+1,80%
	R11 798	3-month Jibar+1,78%
Nigeria		
Mar 2024	USD45	90-day US Libor+6,25%

All facilities represent Resilient's proportionate share.

Interest rate derivatives

The following interest rate derivatives are in place in mitigation of South African interest rate risk:

Interest rate swap expiry	Amount R'000	Average swap rate %
Jun 2021	800 000	7,64
Jun 2022	300 000	8,08
Jun 2023	100 000	7,91
Jun 2024	500 000	7,78
Jun 2025	100 000	7,78
	1 800 000	7,78

Interest rate cap expiry	Amount R'000	Average cap rate %
Jun 2021	300 000	7,92
Jun 2023	500 000	7,77
Jun 2024	1 100 000	7,98
Jun 2026	200 000	7,74
Jun 2027	700 000	8,12
Jun 2028	500 000	7,92
	3 300 000	7,95

The all-in weighted average cost of funding of Resilient was 9,06% at June 2019 and the average hedge term was 4,4 years.

The following interest rate derivatives are in place in mitigation of foreign interest rate risk:

Interest rate cap expiry	Amount EUR'000	Average cap rate %	Amount USD'000	Average cap rate %
Jun 2022	22 500	0,12		
Jun 2023	67 500	0,52	11 000	2,42
Jun 2024	42 500	0,39		
Jun 2025	22 500	0,48		
Jun 2026	30 000	-	11 000	1,90
	185 000	0,35	22 000	2,16

Exposure to variable interest rates	South Africa '000	Offshore listed in South Africa '000	Nigeria '000
Interest-bearing borrowings	R9 934 826		
Currency derivatives	(R3 531 181)	R3 531 181	
Foreign denominated debt	(R387 170)		R387 170
Loans to co-owners	(R88 915)		
Tenant loans advanced	(R19 690)		
Cash and cash equivalents	(R634 351)		(R9 829)
Capital commitments contracted for	R132 323		
Capital commitments approved	R36 844		
	R5 442 686	R3 531 181	R377 341
Exchange rate		15,98	14,09
Exposure	R5 442 686	EUR220 975	USD26 781
Interest rate derivatives			
– swaps/caps	R5 100 000	EUR185 000	USD22 000
Percentage hedged	**93,7% (R)**	**83,7% (EUR)**	**82,1% (USD)**

Loan-to-value ratio

Resilient reduced cross-currency swaps by EUR42 million, being the *pro rata* share of Euro denominated debt, following the return of capital from Lighthouse.

	South Africa R'000	Offshore listed in South Africa R'000	Nigeria R'000	Total R'000
Assets				
Investment property	22 245 127		648 927	22 894 054
Straight-lining of rental revenue adjustment	432 301		6 482	438 783
Investment property under development	419 942			419 942
Investments	101 362	10 536 839		10 638 201
Staff incentive loans	38 608			38 608
Loans to co-owners	88 915		77 253	166 168
Loans advanced	19 690			19 690
	23 345 945	10 536 839	732 662	34 615 446
Net debt				
Cash and cash equivalents	(634 351)		(9 829)	(644 180)
Interest-bearing borrowings	6 016 475	3 531 181*	387 170	9 934 826
	5 382 124	3 531 181	377 341	9 290 646
Loan-to-value ratio	**23,1% (R)**	**33,5% (EUR)**	**51,5% (USD)****	**26,8% (R)**

* *Cross-currency swaps are entered into to mitigate exposure to foreign currency risk on the Group's investments in Lighthouse and NEPI Rockcastle. This has the effect of obtaining funding in currencies similar to that of the underlying foreign investments. At June 2019, cross-currency swaps totalled EUR221 million at an exchange rate of R15,98.*

** *The funding in Nigeria is secured by the respective investment properties and there is no recourse to Resilient's South African balance sheet.*

Income hedging

Foreign income is hedged in line with the following policy:

- Hedge 100% of the income projected to be received in the following 12 months;
- Hedge 67% of the income projected to be received in months 13 to 24; and
- Hedge 33% of the income projected to be received in months 25 to 36.

In line with this policy the following hedges are currently in place:

Forward rate against R	Lighthouse EUR	NEPI Rockcastle EUR	Nigeria USD
Dec 2019	R18,89	R17,85	R14,39
Jun 2020	R19,70	R18,66	R15,22
Dec 2020	R19,79	R18,81	R15,05
Jun 2021	R21,56	R19,76	R16,04
Dec 2021	R20,34	R20,01	R16,78
Jun 2022	R21,18	R20,82	R17,27

SUMMARY OF FINANCIAL PERFORMANCE

	Jun 2019	Dec 2018	Jun 2018	Dec 2017
Dividend (cents per share)	**267,40**	263,66	258,98	306,46
Shares in issue for IFRS	**363 061 506**	368 851 371	371 536 240	371 771 496
Shares held in treasury: Resilient Properties	**37 069 748**	3 920 125	1 235 256	–
Shares held in treasury: the Siyakha Trusts	**–**	52 182 504	52 182 504	53 182 504
Shares in issue	**400 131 254***	424 954 000	424 954 000	424 954 000
Management account information				
Net asset value per share	**R69,39**	R64,65**	R66,18**	R105,35***
Loan-to-value ratio (%)****	**26,8**	25,7	30,1	20,1
Net property expense ratio (%)	**16,1**	17,4	16,8	18,5
Gross property expense ratio (%)	**35,6**	36,1	35,0	36,1
Net total expense ratio (%)	**16,2**	16,1	15,9	15,5
Gross total expense ratio (%)	**31,4**	30,9	29,3	28,5
IFRS accounting				
Net asset value per share	**R69,32**	R59,42	R61,49	R106,75***

* *Resilient repurchased 20 822 746 Resilient shares from The Resilient Empowerment Trust and received 4 000 000 shares as a dividend in specie from its wholly-owned subsidiary. These shares were cancelled.*

** *The Group's claims against the Siyakha Trusts exceeded the value of the shares held as collateral. Under these circumstances, for calculating the net asset value per Resilient share, the total equity attributable to equity holders should be reduced by the loans the Group advanced to the Siyakha Trusts. The shares held by the Siyakha Trusts should then be deducted from the number of shares in issue in the calculation.*

*** *In May 2018 Resilient distributed 169 981 569 Fortress B shares as a return of capital to its shareholders in the ratio of 0,4 Fortress B shares for every Resilient share held. If this return of capital is adjusted for in Dec 2017, the net asset value per share will be R88,47 (management accounts) or R87,46 (IFRS accounts).*

**** *The loan-to-value ratio is calculated by dividing total interest-bearing borrowings adjusted for cash on hand by the total of investments in property, listed securities and loans advanced. Refer to page 5.*

Treasury shares

In addition to the repurchase of 31 359 758 Resilient shares from The Resilient Empowerment Trust, 8 474 734 Resilient shares were acquired through the open market at an average cost of R54,72 per share during the year. Treasury shares reduced by 4 000 000 Resilient shares that was declared as a dividend *in specie* to the Company by its wholly-owned subsidiary.

SPECIAL COMMITTEE FEEDBACK

The special committee was established in September 2018 following receipt of a letter signed by 10 institutions. The committee met nine times during the year in addition to hosting separate meetings with 16 stakeholders. During these meetings, all parties were requested to provide more information on the allegations made. No substantiating evidence has been made available to the Board by these stakeholders, through the whistle-blower hotline or any other avenue. A comprehensive update was provided to stakeholders via SENS announcements on 13 December 2018 and 28 May 2019. The committee noted the announcement by the Financial Sector Conduct Authority ("FSCA") in March 2019 that it has closed its insider trading investigation relating to transactions in Resilient shares. The committee considers the only remaining open matters to be the FSCA investigations of market manipulation in Resilient shares and that of possible false, misleading or deceptive statements relating to Resilient, including those arising from third-party commentary and reports. The committee remains committed to full transparency in addressing any findings that may impact the Company or its stakeholders.

PROSPECTS

The Group has in the past been successful in acquiring quality assets at attractive yields in distressed markets. Resilient's conservative gearing and access to funding place the Group in a strong position to take advantage of investment opportunities.

The Board's decision not to distribute the 40,9% basic rental from Edgars, Edgars Beauty, Mac and Jet stores will reduce distribution for the 2020 financial year by approximately R44 million (approximately 12 cents per share based on the current number of shares in issue).

Resilient's distribution is forecast to increase by approximately 5% for the next financial year. The growth is based on the assumptions that there is no further deterioration of the macro-economic environment, that no major corporate failures will occur and that tenants will be able to absorb the recovery of rising utility costs and municipal rates. The forecast also assumes that Lighthouse Capital and NEPI Rockcastle will achieve distributions in line with market expectations. This forecast and prospects have not been audited, reviewed or reported on by Resilient's auditors.

By order of the Board

Alan Olivier
Chairman

Des de Beer
Chief executive officer

Nick Hanekom
Chief financial officer

Johannesburg
16 August 2019

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited Jun 2019 R'000	Audited Jun 2018 R'000
ASSETS		
Non-current assets	36 117 470	38 678 611
Investment property	24 231 185	22 838 483
Straight-lining of rental revenue adjustment	456 663	395 407
Investment property under development	420 912	796 582
Investment in associate	731 889	2 709 119
Investments	9 874 760	11 340 992
Staff incentive loans	36 857	184 657
Loans to co-owners	89 017	140 124
Other financial assets	199 696	222 302
Other assets	76 491	50 945
Current assets	1 009 466	950 960
Staff incentive loans	1 751	5 461
Loans to co-owners	–	182 537
Trade and other receivables	189 928	183 349
Other financial assets	118 156	49 958
Other assets	36 114	19 616
Income tax receivable	4 805	–
Cash and cash equivalents	658 712	510 039
Non-current asset held for sale	–	1 063 057
Total assets	37 126 936	40 692 628
EQUITY AND LIABILITIES		
Total equity attributable to equity holders	25 166 059	22 845 898
Stated capital	13 014 956	13 822 359
Treasury shares	(2 895 596)	(4 363 737)
Foreign currency translation reserve	198 064	115 481
Retained earnings	14 848 635	13 271 795
Non-controlling interests	(14 941)	52 761
Total equity	25 151 118	22 898 659
Total liabilities	11 975 818	17 793 969
Non-current liabilities	8 784 130	14 754 431
Interest-bearing borrowings	7 563 629	13 703 284
Other financial liabilities	42 184	40 742
Other liabilities	34 279	–
Deferred tax	116 965	22 917
Amounts owing to non-controlling shareholders	1 027 073	987 488
Current liabilities	3 191 688	3 039 538
Trade and other payables	443 643	390 680
Other financial liabilities	26 484	374 156
Other liabilities	90 923	36 780
Income tax payable	–	20 406
Interest-bearing borrowings	2 630 638	2 217 516
Total equity and liabilities	37 126 936	40 692 628

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited for the year ended Jun 2019 R'000	Audited for the year ended Jun 2018 R'000
Recoveries and contractual rental revenue	2 841 278	2 620 104
Straight-lining of rental revenue adjustment	60 969	41 683
Revenue from direct property operations	2 902 247	2 661 787
Revenue from investments	903 717	1 205 117
Total revenue	3 805 964	3 866 904
Fair value adjustments	792 698	(8 652 225)
Fair value gain on investment property	372 066	745 274
Adjustment resulting from straight-lining of rental revenue	(60 969)	(41 683)
Fair value gain/(loss) on investments	144 224	(9 266 220)
Fair value gain/(loss) on currency derivatives	442 924	(107 557)
Fair value (loss)/gain on interest rate derivatives	(105 547)	17 961
Property operating expenses	(1 019 682)	(931 041)
Administrative expenses	(140 775)	(153 279)
Profit on deconsolidation of the Siyakha Trusts	2 436 890	–
Foreign exchange (loss)/gain	(42 394)	76 386
Profit on sale of interest in associate	–	3 538 393
Profit on sale of Locaviseu	17 583	–
Donations received by The Resilient Empowerment Trust	10 000	16 000
(Reversal of impairment)/impairment of investment in associate	126 419	(126 419)
Impairment of staff incentive loans receivable	(20 956)	(72 685)
Impairment of loans receivable	(64 771)	(33 876)
Amortisation of interest rate cap premiums	(13 600)	(6 972)
Share of profit/(loss) of associate and joint venture	52 807	(179 466)
– distributable	–	237 229
– non-distributable	52 807	(416 695)
Profit/(loss) before net finance costs	5 940 183	(2 658 280)
Net finance costs	(1 253 967)	(1 513 761)
Finance income	87 414	86 652
Interest received on loans and cash balances	87 414	86 652
Finance costs	(1 341 381)	(1 600 413)
Interest on borrowings	(1 392 862)	(1 655 891)
Capitalised interest	51 481	55 478
Profit/(loss) before income tax	4 686 216	(4 172 041)
Income tax	(103 732)	866 648
Profit/(loss) for the year	4 582 484	(3 305 393)

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

	Audited for the year ended Jun 2019 R'000	Audited for the year ended Jun 2018 R'000
Other comprehensive income/(loss) net of tax		
Items that may subsequently be reclassified to profit or loss		
Exchange differences realised on disposal of Locaviseu	(4 637)	–
Exchange differences on translation of foreign operations	138 362	(21 215)
	133 725	(21 215)
Total comprehensive income/(loss) for the year	4 716 209	(3 326 608)
Profit/(loss) for the year attributable to:		
Equity holders of the Company	4 589 626	(3 320 347)
Non-controlling interests	(7 142)	14 954
	4 582 484	(3 305 393)
Total comprehensive income/(loss) for the year attributable to:		
Equity holders of the Company	4 719 174	(3 346 165)
Non-controlling interests	(2 965)	19 557
	4 716 209	(3 326 608)
Basic earnings/(loss) per share (cents)	1 246,14	(900,37)

Resilient has no dilutionary instruments in issue.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited for the year ended Jun 2019 R'000	Audited for the year ended Jun 2018 R'000
Operating activities		
Cash generated from operations	2 537 645	2 689 320
Interest paid	(1 184 442)	(1 659 285)
Dividends paid	(1 987 359)	(2 296 325)
Income tax paid	(34 895)	(1 756)
Cash outflow from operating activities	(669 051)	(1 268 046)
Investing activities		
Development and improvement of investment property	(539 846)	(714 840)
Acquisition of investment property under development	(77 694)	–
Increase of interest in associates	–	(942 859)
Return of capital by associate	2 240 200	–
Loans to joint venture advanced	–	(21 714)
Acquisition of interest in joint venture	–	(22 806)
Share purchase trust loans advanced	–	(100 459)
Share purchase trust loans repaid	130 077	450 286
Co-owner loans advanced	(384 493)	(159 987)
Co-owner loans repaid	553 366	49 822
Tenant loans repaid/(advanced)	13 005	(33 245)
Acquisition of investments	–	(370 547)
Proceeds on disposal of investments	106 299	2 489 911
Proceeds on disposal of Locaviseu	1 063 238	–
Cash flow on Hammerson equity derivative	–	21 647
Interest received	87 891	101 871
Cash flow on currency derivatives	22 517	187 345
Cash flow on interest rate derivatives	(52 734)	(134 361)
Cash inflow from investing activities	3 161 826	800 064
Financing activities		
Decrease in interest-bearing borrowings	(1 867 612)	(2 305 590)
Acquisition of additional interest in subsidiaries	(10 445)	(34 356)
Acquisition of shares from The Resilient Empowerment Trust	(2 177)	–
Deconsolidation of the Siyakha Trusts	(99)	–
Proceeds on disposal of treasury shares	–	69 671
Acquisition of treasury shares	(463 769)	(341 176)
Proceeds from raising of stated capital	–	2 733 706
Cash (outflow)/inflow from financing activities	(2 344 102)	122 255
Increase/(decrease) in cash and cash equivalents	148 673	(345 727)
Cash and cash equivalents at the beginning of the year	510 039	855 766
Cash and cash equivalents at the end of the year	658 712	510 039
Cash and cash equivalents consist of:		
Current accounts	658 712	510 039

Cash flow from investing activities includes the following items available for distribution: net interest received on interest rate derivatives and cross-currency swaps of R269 million, interest received on loans and cash balances of R88 million, realised profits on forward exchange contracts of R88 million and dividends received from Lighthouse in the form of a return of capital of R111 million. Scrip dividends received amounted to R65 million.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Audited	Stated capital R'000	Treasury shares R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Equity attributable to equity holders R'000	Non-controlling interests R'000	Total equity R'000
Balance at Jun 2017	13 521 054	(3 881 621)	59 380	18 950 569	28 649 382	120 311	28 769 693
Issue of shares	2 983 614				2 983 614		2 983 614
Resilient shares held by the Siyakha Trusts		(414 132)		(39 297)	(453 429)		(453 429)
Shares acquired and held in treasury		(67 984)			(67 984)		(67 984)
Distribution of Fortress B shares as a return of capital	(2 682 309)				(2 682 309)		(2 682 309)
Equity contributed by non-controlling shareholders						17	17
Acquisition of additional interest in subsidiaries				(8)	(8)	(34 348)	(34 356)
Exchange differences realised on disposal of associate			6 346		6 346		6 346
Exchange differences on translation of foreign operations			(25 818)		(25 818)	4 603	(21 215)
(Loss)/profit for the year				(3 320 347)	(3 320 347)	14 954	(3 305 393)
Dividends paid				(2 243 549)	(2 243 549)	(52 776)	(2 296 325)
Transfer to foreign currency translation reserve			75 573	(75 573)	–		–
Balance at Jun 2018	13 822 359	(4 363 737)	115 481	13 271 795	22 845 898	52 761	22 898 659
Resilient shares repurchased from The Resilient Empowerment Trust	(677 296)	1 712 856		(1 037 737)	(2 177)		(2 177)
Shares acquired and held in treasury		(463 769)			(463 769)		(463 769)
Dividend *in specie*	(130 107)	219 054		(88 947)	–		–
Acquisition of additional interest in subsidiaries				(36)	(36)	(10 409)	(10 445)
Exchange differences realised on disposal of Locaviseu			(4 637)		(4 637)		(4 637)
Exchange differences on translation of foreign operations			134 185		134 185	4 177	138 362
Profit/(loss) for the year				4 589 626	4 589 626	(7 142)	4 582 484
Dividends paid				(1 933 031)	(1 933 031)	(54 328)	(1 987 359)
Transfer to foreign currency translation reserve			(46 965)	46 965	–		–
Balance at Jun 2019	13 014 956	(2 895 596)	198 064	14 848 635	25 166 059	(14 941)	25 151 118

NOTES

1. PREPARATION, ACCOUNTING POLICIES AND AUDIT OPINION

The preliminary audited summarised consolidated financial statements have been prepared in accordance with the requirements of the JSE Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa applicable to summary financial statements.

The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34: *Interim Financial Reporting*. This report complies with the SA REIT Association Best Practice Recommendations. This report and the consolidated annual financial statements were compiled under the supervision of Nick Hanekom CA(SA), the chief financial officer.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements, with the exception of the adoption of new and revised standards which became effective during the year.

The Group's investment properties were externally valued by independent valuers. In terms of IAS 40: *Investment Property* and IFRS 7: *Financial Instruments: Disclosures*, investment properties are measured at fair value and are categorised as level 3 investments. The revaluation of investment property requires judgement in the determination of future cash flows from leases and an appropriate capitalisation rate which varies between 7,0% and 10,5% (Jun 2018: 7,3% and 9,3%).

Changes in the capitalisation rate attributable to changes in market conditions can have a significant impact on property valuations. A 25 basis point increase in the capitalisation rate will decrease the value of investment property by R747,8 million (Jun 2018: R710,3 million). A 25 basis point decrease in the capitalisation rate will increase the value of investment property by R795,5 million (Jun 2018: R756,0 million). A 1% increase in vacancy for a full year will decrease the value of investment property by R278,3 million (Jun 2018: R292,5 million).

In terms of IFRS 9: *Financial Instruments* and IFRS 7, the Group's currency and interest rate derivatives are measured at fair value through profit or loss and are categorised as level 2 investments. In terms of IFRS 9, investments are measured at fair value being the quoted closing price at the reporting date and are categorised as level 1 investments. The Edcon unlisted investment is categorised as a level 3 investment. As no financial information was available from Edcon at June 2019, no revaluation adjustment was recorded and as such no sensitivity analysis could be performed. There were no transfers between levels 1, 2 and 3 during the year. The valuation methods applied are consistent with those applied in preparing the previous consolidated financial statements.

The directors are not aware of any matters or circumstances arising subsequent to June 2019, not arising in the normal course of business, that require any additional disclosure or adjustment to the financial statements.

The auditor, PKF Octagon Inc., has issued an unmodified audit opinion on the consolidated financial statements for the year ended June 2019. The audit was conducted in accordance with International Standards on Auditing.

These preliminary audited summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent, in all material respects, with the consolidated financial statements.

This preliminary summarised report has been audited by PKF Octagon Inc. and an unmodified audit opinion has been issued. Copies of its audit reports and the consolidated financial statements are available for inspection at Resilient's registered address.

The auditor's report does not necessarily report on all the information contained in this announcement. 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 that report together with the accompanying financial information from Resilient's registered address.

2. LEASE EXPIRY PROFILE

Lease expiry: South Africa	Based on rentable area %	Based on contractual rental revenue %
Vacant	1,8	
Jun 2020	17,2	20,3
Jun 2021	18,2	20,9
Jun 2022	13,7	16,8
Jun 2023	14,3	15,5
Jun 2024	15,2	15,7
> Jun 2024	19,6	10,8
	100,0	**100,0**

3. SEGMENTAL ANALYSIS

	Audited for the year ended Jun 2019 R'000	Audited for the year ended Jun 2018 R'000
Total assets		
Retail: South Africa	**24 084 537**	22 889 442
Retail: Nigeria	**1 310 359**	1 320 299
Retail: Portugal	**–**	1 063 057
Corporate: South Africa	**11 716 114**	15 397 480
Corporate: Nigeria	**15 926**	22 350
	37 126 936	40 692 628
Total liabilities		
Retail: South Africa	**416 112**	279 275
Retail: Nigeria	**34 828**	25 320
Corporate: South Africa	**10 359 382**	16 384 819
Corporate: Nigeria	**1 165 496**	1 104 555
	11 975 818	17 793 969

3. SEGMENTAL ANALYSIS continued

	Audited for the year ended Jun 2019 R'000	Audited for the year ended Jun 2018 R'000
Total revenue		
Revenue from direct property operations		
Retail: South Africa	**2 751 256**	2 529 296
Retail: Nigeria	**150 991**	132 491
Revenue from investments		
Retail: Portugal	**7 181**	–
Corporate: South Africa	**896 536**	1 205 117
	3 805 964	3 866 904
Profit/(loss) for the year		
Retail: South Africa	**2 175 074**	2 476 050
Retail: Nigeria	**18 588**	(41 788)
Retail: Portugal	**24 764**	116 727
Corporate: South Africa	**2 492 792**	(5 745 435)
Corporate: Nigeria	**(128 734)**	(110 947)
	4 582 484	(3 305 393)
Reconciliation of profit/(loss) for the year to headline earnings		
Basic earnings/(loss) – profit/(loss) for the year attributable to equity holders	**4 589 626**	(3 320 347)
Adjusted for:	**(2 862 756)**	(4 115 565)
– fair value gain on investment property	**(311 097)**	(703 591)
– profit on deconsolidation of the Siyakha Trusts	**(2 436 890)**	–
– profit on sale of interest in associate	**–**	(3 538 393)
– profit on sale of Locaviseu	**(17 583)**	–
– income tax effect	**30 060**	–
– (reversal of impairment)/impairment of investment in associate	**(126 419)**	126 419
– exchange differences realised on disposal of joint venture	**(4 637)**	–
– fair value loss on investment property of associate	**3 810**	–
Headline earnings/(loss)	**1 726 870**	(7 435 912)
Headline earnings/(loss) per share (cents)	**468,87**	(2 016,38)

Basic earnings/(loss) per share and headline earnings/(loss) per share are based on the weighted average of 368 306 320 (Jun 2018: 368 775 538) shares in issue during the year.

Resilient has no dilutionary instruments in issue.

MANAGEMENT ACCOUNTS

BASIS OF PREPARATION

In order to provide information of relevance to investors these management accounts, which comprise financial information extracted from the audited annual financial statements for the year ended June 2019, have been prepared and are presented below to provide users with the position:

- Had The Resilient Empowerment Trust and The Siyakha Trusts not been consolidated as required by IFRS;
- Had the Group's listed investment in Lighthouse that was accounted for using the equity method for IFRS been fair valued;
- Had the Group's interest in Locaviseu that was held for sale at June 2018 and disposed of during the year, been proportionately consolidated; and
- Had the Group accounted for its share of the assets, liabilities and results of partially-owned subsidiaries (Resilient Africa and the indirect investments in Arbour Crossing, Galleria Mall and Mahikeng Mall) on a proportionately consolidated basis instead of consolidating it.

The *pro forma* financial information (management accounts) has been prepared in terms of the JSE Listings Requirements and the SAICA Guide on *pro forma* financial information.

DIRECTORS' RESPONSIBILITY STATEMENT

The preparation of the management accounts is the sole responsibility of the directors and have been prepared on the basis stated, for illustrative purposes only, to show the impact on the summarised consolidated statement of financial position and the summarised consolidated statement of comprehensive income. Due to their nature, the management accounts may not fairly present the financial position and results of the Group in terms of IFRS.

REPORTING ACCOUNTANT'S OPINION

The *pro forma* financial information has been reviewed by PKF Octagon Inc. and its unmodified assurance report is available for inspection at Resilient's registered address.

MANAGEMENT ACCOUNT ADJUSTMENTS

Adjustment 1

In order to enhance disclosure, the fair value gain on currency derivatives, the fair value loss on interest rate derivatives as well as other financial assets/liabilities have been expanded to present the components thereof.

Adjustment 2

Resilient has no entitlement to or share in the assets of The Resilient Empowerment Trust. This trust received donations from donors other than Resilient to which the Group has no claim.

The Siyakha Trusts were deconsolidated in the IFRS financial statements. The effect of consolidating these trusts for the period 1 July 2018 to 24 June 2019 has been removed as Resilient had no entitlement to or share in the assets of these trusts.

The management accounts provide a true reflection of the assets under management of Resilient.

Adjustment 3

The investment in Lighthouse is reflected at its fair value by multiplying the 102 618 098 shares held by the quoted closing price at 30 June 2019. All entries recorded to account for this investment using the equity method are reversed. This more accurately reflects the Group's assets and liabilities.

Adjustment 4

This adjustment proportionately consolidates the indirect investments in Forum Coimbra and Forum Viseu that were held through Locaviseu and accounted for as a non-current asset held for sale in terms of IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations* at June 2018. These indirect investments were disposed of during the year. It effectively discloses the Group's results of operations from these investments by disclosing the consolidated management accounts for the month of July 2018 on a line-by-line basis. Resilient is satisfied with the quality of the financial information contained in the management accounts of Locaviseu.

Adjustment 5

This adjustment proportionately consolidates the indirect investments in partially-owned subsidiaries (Resilient Africa and the indirect investments in Arbour Crossing, Galleria Mall and Mahikeng Mall) previously consolidated. It uses the management accounts for the year ended June 2019 of Resilient Africa, Resilient Africa Managers, Arbour Town and Southern Palace Investments 19 to reverse the non-controlling interests to reflect the Group's interest in the assets, liabilities and results of operations from these investments.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	IFRS Jun 2019 R'000	Adjustment 1 Component disclosure Jun 2019 R'000	Adjustment 2 Deconsolidation of the Siyakha Trusts and The Resilient Empowerment Trust Jun 2019 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse Jun 2019 R'000	Adjustment 5 Proportionate consolidation of partially-owned subsidiaries Jun 2019 R'000	Management accounts Jun 2019 R'000
ASSETS						
Non-current assets	36 117 470	–	–	31 590	(1 278 995)	34 870 065
Investment property	24 231 185				(1 337 131)	22 894 054
Straight-lining of rental revenue adjustment	456 663				(17 880)	438 783
Investment property under development	420 912				(970)	419 942
Investment in associate	731 889			(731 889)		–
Investments	9 874 760			763 479	(38)	10 638 201
Staff incentive loans	36 857					36 857
Loans to co-owners	89 017				77 151	166 168
Other financial assets	199 696	(199 696)				–
Fair value of interest rate derivatives		104 793				104 793
Fair value of currency derivatives		46 778				46 778
Forward contract: Edcon Limited shares		36 189			(127)	36 062
Loans advanced		11 936				11 936
Other assets	76 491					76 491
Current assets	1 009 466	–	(5 720)	–	(19 517)	984 229
Staff incentive loans	1 751					1 751
Trade and other receivables	189 928		(113)		(10 431)	179 384
Other financial assets	118 156	(118 156)				–
Fair value of currency derivatives		65 887				65 887
Forward contract: Edcon Limited shares		44 515			(161)	44 354
Loans advanced		7 754				7 754
Other assets	36 114					36 114
Income tax receivable	4 805					4 805
Cash and cash equivalents	658 712		(5 607)		(8 925)	644 180
Total assets	37 126 936	–	(5 720)	31 590	(1 298 512)	35 854 294

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

	IFRS Jun 2019 R'000	Adjustment 1 Component disclosure Jun 2019 R'000	Adjustment 2 Deconsolidation of the Siyakha Trusts and The Resilient Empowerment Trust Jun 2019 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse Jun 2019 R'000	Adjustment 5 Proportionate consolidation of partially-owned subsidiaries Jun 2019 R'000	Management accounts Jun 2019 R'000
EQUITY AND LIABILITIES						
Total equity attributable to equity holders	25 166 059	–	(5 720)	31 590	–	25 191 929
Stated capital	13 014 956					13 014 956
Treasury shares	(2 895 596)					(2 895 596)
Foreign currency translation reserve	198 064					198 064
Retained earnings	14 848 635		(5 720)	31 590		14 874 505
Non-controlling interests	(14 941)				14 941	–
Total equity	25 151 118	–	(5 720)	31 590	14 941	25 191 929
Total liabilities	11 975 818	–	–	–	(1 313 453)	10 662 365
Non-current liabilities	8 784 130	–	–	–	(1 286 713)	7 497 417
Interest-bearing borrowings	7 563 629				(259 441)	7 304 188
Other financial liabilities	42 184	(42 184)				–
Fair value of interest rate derivatives		39 504				39 504
Fair value of currency derivatives		2 680				2 680
Other liabilities: Deferred income: Edcon Limited	34 279				(122)	34 157
Deferred tax	116 965				(77)	116 888
Amounts owing to non-controlling shareholders	1 027 073				(1 027 073)	–
Current liabilities	3 191 688	–	–	–	(26 740)	3 164 948
Trade and other payables	443 643				(18 670)	424 973
Other financial liabilities: Fair value of currency derivatives	26 484					26 484
Other liabilities	90 923	(90 923)				–
Deferred income: Edcon Limited		45 704			(163)	45 541
Prepaid rentals		24 773			(7 618)	17 155
VAT payables		20 446			(289)	20 157
Interest-bearing borrowings	2 630 638					2 630 638
Total equity and liabilities	37 126 936	–	(5 720)	31 590	(1 298 512)	35 854 294

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	IFRS for the year ended Jun 2019 R'000	Adjustment 1 Component disclosure for the year ended Jun 2019 R'000	Adjustment 2 Deconsolidation of the Siyakha Trusts and The Resilient Empowerment Trust for the year ended Jun 2019 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse for the year ended Jun 2019 R'000	Adjustment 4 Proportionate consolidation of investment in Locaviseu for the year ended Jun 2019 R'000	Adjustment 5 Proportionate consolidation of partially-owned subsidiaries for the year ended Jun 2019 R'000	Management accounts for the year ended Jun 2019 R'000
Recoveries and contractual rental revenue	2 841 278				12 911	(164 291)	2 689 898
Straight-lining of rental revenue adjustment	60 969					246	61 215
Revenue from direct property operations	2 902 247	–	–	–	12 911	(164 045)	2 751 113
Revenue from investments	903 717		(227 492)		(7 181)		669 044
Realised gain: forward exchange contracts		88 472					88 472
Total revenue	3 805 964	88 472	(227 492)	–	5 730	(164 045)	3 508 629
Fair value adjustments	792 698	(357 614)	378 887	210 816	(65 215)	46 040	1 005 612
Fair value gain on investment property	372 066				(65 215)	46 286	353 137
Adjustment resulting from straight-lining of rental revenue	(60 969)					(246)	(61 215)
Fair value gain on investments	144 224		378 887	210 816			733 927
Fair value gain on currency derivatives	442 924	(442 924)					–
Unrealised gain		420 407					420 407
Realised loss: cross-currency swaps		(346 362)					(346 362)
Fair value loss on interest rate derivatives	(105 547)	105 547					–
Unrealised loss		(96 284)					(96 284)
Realised gain		2 002					2 002
Property operating expenses	(1 019 682)				(2 521)	65 143	(957 060)
Administrative expenses	(140 775)		7 759		227	7 277	(125 512)
Profit on deconsolidation of the Siyakha Trusts	2 436 890		(2 436 890)				–
Foreign exchange loss	(42 394)					(4 543)	(46 937)
Profit on sale of Locaviseu	17 583						17 583
Donations received by The Resilient Empowerment Trust	10 000		(10 000)				–
Reversal of impairment of investment in associate	126 419			(126 419)			–
Impairment of staff incentive loans receivable	(20 956)						(20 956)
Impairment of loans receivable	(64 771)		(58 237)				(123 008)
Amortisation of interest rate cap premiums	(13 600)						(13 600)
Impairment of goodwill					(183 271)*		(183 271)
Share of profit of associate: non-distributable	52 807			(52 807)			–
Profit before net finance costs	5 940 183	(269 142)	(2 345 973)	31 590	(245 050)	(50 128)	3 061 480

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

	IFRS for the year ended Jun 2019 R'000	Adjustment 1 Component disclosure for the year ended Jun 2019 R'000	Adjustment 2 Deconsolidation of the Siyakha Trusts and The Resilient Empowerment Trust for the year ended Jun 2019 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse for the year ended Jun 2019 R'000	Adjustment 4 Proportionate consolidation of investment in Locaviseu for the year ended Jun 2019 R'000	Adjustment 5 Proportionate consolidation of partially-owned subsidiaries for the year ended Jun 2019 R'000	Management accounts for the year ended Jun 2019 R'000
Net finance costs	(1 253 967)	269 142	690 695	–	(2 092)	57 184	(239 038)
Finance income	87 414	282 322	243 662	–	–	56 229	669 627
Interest received on loans and cash balances	87 414		243 662			56 229	387 305
Interest received on interest rate derivatives		1 915					1 915
Interest received on cross-currency swaps		280 407					280 407
Finance costs	(1 341 381)	(13 180)	447 033	–	(2 092)	955	(908 665)
Interest on borrowings	(1 392 862)		447 033		(2 092)	955	(946 966)
Interest paid on interest rate derivatives		(13 180)					(13 180)
Capitalised interest	51 481						51 481
Profit before income tax	4 686 216	–	(1 655 278)	31 590	(247 142)	7 056	2 822 442
Income tax	(103 732)				247 142	86	143 496
Profit for the year	4 582 484	–	(1 655 278)	31 590	–	7 142	2 965 938
Profit for the year attributable to:							
Equity holders of the Company	4 589 626		(1 655 278)	31 590			2 965 938
Non-controlling interests	(7 142)					7 142	–
	4 582 484	–	(1 655 278)	31 590	–	7 142	2 965 938

** On acquisition of the interest in Locaviseu, goodwill arose as a result of a deferred tax liability that was partially assumed. On disposal of the investment, the deferred tax and goodwill balances were derecognised.*

DIVIDEND CALCULATION

Based on management accounts	Management accounts for the year ended Jun 2019 R'000
Recoveries and contractual rental revenue	2 689 898
Reverse IFRS adjustment to rental revenue: Edcon	(721)
Edcon 40,9% basic rental adjustment	(11 068)
Revenue from investments	669 044
Realised gain: forward exchange contracts	67 516
Termination of interest rate derivatives	2 002
Property operating expenses	(957 060)
Administrative expenses	(125 512)
Impairment of staff incentive loans receivable*	(20 956)
Realised gain: forward exchange contracts relating to Lighthouse return of capital*	20 956
Amortisation of interest rate cap premiums	(13 600)
Interest received on loans and cash balances (inclusive of interest on loans to the Siyakha Trusts at contractual rates)	387 305
Reverse interest received on the loans to the Siyakha Trusts	(243 707)
Dividend from Fortress B shares held as collateral on loans to the Siyakha Trusts	6 541
Interest received on interest rate derivatives	1 915
Interest received on cross-currency swaps	280 407
Interest on borrowings	(946 966)
Interest paid on interest rate derivatives	(13 180)
Capitalised interest	51 481
Income tax	(1 344)
Dividends accrued**	113 665
Antecedent dividend	(12 430)
Income hedging adjustment of Nigeria performance	(846)
Distributable earnings	1 943 340
Interim dividend	(972 514)
Final dividend	(970 826)
	–

* *Non-recurring item.*

** *Includes R111 million dividend from Lighthouse received as a return of capital and therefore not recognised in profit or loss.*

RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO DIVIDEND DECLARED

Reconciliation from IFRS profit or loss	Audited for the year ended Jun 2019 R'000	Audited for the year ended Jun 2018 R'000
Profit/(loss) for the year	4 582 484	(3 305 393)
Fair value gain on investment property	(372 066)	(745 274)
Fair value (gain)/loss on investments	(144 224)	9 266 220
Fair value (gain)/loss on currency derivatives	(442 924)	107 557
Realised gain on forward exchange contracts	88 472	129 129
Interest received on cross-currency swaps	280 407	314 008
Fair value loss/(gain) on interest rate derivatives	105 547	(17 961)
Interest received on interest rate derivatives	1 915	5 816
Interest paid on interest rate derivatives	(13 180)	(23 681)
Profit on deconsolidation of the Siyakha Trusts	(2 436 890)	–
Foreign exchange loss/(gain)	42 394	(76 386)
Profit on sale of interest in associate	–	(3 538 393)
Profit on sale of Locaviseu	(17 583)	–
(Reversal of impairment)/impairment of investment in associate	(126 419)	126 419
Impairment of loans receivable	64 771	33 876
Non-distributable (profit)/loss from associate and joint venture	(52 807)	416 695
Income tax	103 732	(866 648)
Non-controlling interests	(34 687)	(31 366)
Antecedent dividend	(12 430)	22 381
Income hedging adjustment of Nigeria and Portugal performance	(846)	5 391
Termination of interest rate derivatives	2 002	(14 354)
Dividends accrued	113 665	(95 285)
Amount available for distribution under best practice	1 731 333	1 712 751
Edcon 40,9% basic rental adjustment	(11 789)	–
Effect of consolidating the Siyakha Trusts	217 255	382 132
– relating to Resilient	765	144 838
– relating to Fortress	216 490	237 294
Adjustment for revised distributable earnings relating to the Siyakha Trusts		
– dividend from Fortress B shares held as collateral	6 541	6 653
Dividend declared	(1 943 340)	(2 101 536)
– interim	(972 514)	(1 139 331)
– final	(970 826)	(962 205)
	–	–
Shares used for dividend per share calculation		
– interim	368 851 371	371 771 496
– final	363 061 506	371 536 240

PAYMENT OF FINAL DIVIDEND

The Board has approved and notice is hereby given of a final dividend of 267,40000 cents per share for the six months ended 30 June 2019.

The dividend is payable to Resilient shareholders in accordance with the timetable set out below:

Last date to trade *cum* dividend	Tuesday, 3 September 2019
Shares trade *ex* dividend	Wednesday, 4 September 2019
Record date	Friday, 6 September 2019
Payment date	Monday, 9 September 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 September 2019 and Friday, 6 September 2019, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to the CSDP accounts/broker accounts on Monday, 9 September 2019. Certificated shareholders' dividend payments will be posted on or about Monday, 9 September 2019.

Directors

Alan Olivier (chairman); Stuart Bird; David Brown; Thembi Chagonda; Des de Beer*; Andries de Lange*; Des Gordon; Nick Hanekom*; Johann Kriek*; Dawn Marole; Protas Phili; Umsha Reddy; Barry van Wyk **Executive director*

Company secretary

Monica Muller CA(SA)

Registered address

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Tel: +27 (0) 11 612 6800 Fax: +27 (0) 11 612 6869

Transfer secretaries

Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001

Sponsor

Java Capital, 6A Sandown Valley Crescent, Sandton, 2169

www.resilient.co.za

DIVIDEND: TAX TREATMENT

In accordance with Resilient's status as a REIT, shareholders are advised that the dividend of 267,40000 cents per share for the six months ended 30 June 2019 ("the dividend") meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"). The dividend will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT. This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders provide the following forms to their Central Securities Depository Participant ("CSDP") or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

a) a declaration that the dividend is exempt from dividends tax; and
b) a written undertaking to inform the CSDP, broker or the Company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the shareholder. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 213,92000 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
b) a written undertaking to inform their CSDP, broker or the Company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted, if applicable.

Shares in issue at the date of declaration of this dividend: 400 131 254

Resilient's income tax reference number: 9579269144

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