CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

RESILIENT

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.

DISTRIBUTABLE EARNINGS

The Board has declared a dividend of 263,66 cents per share for the interim period ended December 2018. The operational performance of the portfolio was sound. However, this dividend is not comparable to that of the prior interim period as a result of the distribution of Fortress B shares to Resilient shareholders in May 2018 and as a consequence there is no inclusion of any income relating to this investment in the period under review. If the effect of the Fortress B distribution in the comparative period is eliminated then the dividend for December 2018 only declined by 2,2%. In addition, for the December 2017 interim period, Resilient calculated its dividend to be declared 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. For December 2018, when the Siyakha Trusts' total liabilities exceeded its total assets, Resilient calculated distributable earnings by recognising interest accrued on the loans advanced to the Siyakha Trusts only to the extent that the accrued interest was matched by dividends declared for the same period in respect of the shares held by the Siyakha Trusts.

COMMENTARY ON RESULTS

South Africa

The sales growth for the portfolio was 4,7% and was in line with the inflation rate for the comparable period. This is positive in light of the difficult economic environment.

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 were under development):

	Comparable sales growth %	Percentage of SA properties by value
Mpumalanga	9,6	15,3
North West	9,2	5,8
KwaZulu-Natal	4,7	21,1
Limpopo	3,9	23,0
Northern Cape	3,8	6,4
Gauteng	2,2	25,0
Eastern Cape	0,3	3,4

Mpumalanga's outstanding performance was largely due to comparable sales growth of 18,8% at I'langa Mall. The mall is fully let and has entrenched its dominant position in the province. Secunda Mall's 8,2% comparable sales growth was also pleasing.

The strong performance in the North West can be attributed to Mahikeng Mall's 19,7% sales growth. This is the result of an improved tenant profile which attracts shoppers from the traditional CBD.

Circus Triangle in the Eastern Cape, albeit a small contributor, was negatively affected by a taxi dispute. This will be remedied by improved direct access to the mall from an adjacent taxi rank and the introduction of a second food anchor.

The Northern Cape's performance was disappointing despite a good performance at Village Mall Kathu where sales growth of 7,1% was recorded. This is due to the subdued economic activity in Kimberley, where Diamond Pavilion only grew by 1,3%. Continued good sales growth is expected in Kathu on the back of increased demand and high prices achieved for iron ore.

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 1,3% increase on expiring rentals whilst leases concluded with new tenants were 6,3% 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 at a yield of 8,5%. The Checkers, Woolworths and Truworths stores were expanded; Sportscene, Cross Trainer, Skipper Bar and Side Step were introduced and a multi-level parking facility was constructed. This has favourably impacted on retail sales of the entire centre and reinforced its dominant position in the greater Mokopane.

The 56 000m^2 GLA extension to Mams Mall opened on schedule in November 2018. A number of new tenants including Woolworths and Planet Fitness are in the process of fit-out and are not yet open for trading. Despite this, the footfall and trading figures are in line with projections. Construction of a free-standing Builders Superstore adjacent to the mall has commenced. New residential construction in the surrounding catchment area continues at a rapid pace which bodes well for the future of the mall.

The final portion of land required for the extension of Irene Village Mall has been transferred. The local authority has served notices on land owners affected by the planned substantial improvement to the road network in the area. These upgrades will significantly improve access to the mall. The Board is awaiting clarity on Edcon's financial position prior to approving the extension to the mall.

Substantial progress was achieved with Resilient's solar photovoltaic installation roll-out. The installations at Brits Mall, Diamond Pavilion and Mams Mall were completed and are online. The installations at Galleria Mall, I'langa Mall and Village Mall Kathu commenced and will be online by June 2019.

Vacancies

Resilient owns 28 retail centres with a GLA of 1,17 million square metres. The portfolio was 1,8% (Resilient's *pro rata* share) vacant at December 2018. Mams Mall (50% owned) had a vacancy of 10,9% at the interim reporting period end that has since reduced to 6,7%. The current portfolio vacancy is therefore 1,6%.

Edcon

Resilient previously agreed to the closure of the six free-standing Boardmans stores in the portfolio and also to the reduction of the three Jet Mart stores to the smaller Jet format. This reduced the exposure to Edcon to 6,4% (Edgars 3,5%, Jet 1,9%) of contractual rental income at December 2018. The Jet, CNA and Red Square stores continue to trade well. The exposure to Edgars remains a concern. With the low vacancies at Resilient's malls, space that becomes available could be re-let. This will, however, result in periods of lost income and additional redevelopment and fit-out costs.

Nigeria

Resilient owns 60,94% of Resilient Africa in partnership with Shoprite Checkers. Resilient Africa, together with local partners, owns Asaba Mall, Delta Mall, Owerri Mall and a well-located property with retail rights in Port Harcourt. Vacancies in the malls have reduced from 6,3% at June 2018 to 5,0% at December 2018.

The Nigerian economy grew by 1,9% in 2018 which supported increased footfall and growth in retail sales.

National elections are due to be held in February 2019 and will probably result in a period of uncertainty until there is clarity on the new government and its policies. The International Monetary Fund ("IMF") forecasts GDP growth of 2,3% for the 2019 calendar year.

LISTED PORTFOLIO

Resilient

	Dec 2018		Jun 2018	
Counter	Number of shares	Fair value R'000	Number of shares	Fair value R'000
Fortress B (FFB)#		–	5 309 515	79 908
NEPI Rockcastle (NRP)	74 964 444	8 470 982	75 140 000	9 201 644
		8 470 982		9 281 552
Lighthouse (LTE)*	102 618 098	810 683	2 052 361 996	2 709 119
		9 281 665		11 990 671

The remaining Fortress B position was sold during the period.

* *During this interim period Lighthouse Capital (previously Greenbay Properties) 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). The investment was impaired as its carrying value exceeded its recoverable amount.*

The Siyakha Trusts

	Dec 2018		Jun 2018	
Counter	Number of shares	Fair value R'000	Number of shares	Fair value R'000
Fortress A (FFA)	947 525	17 273	947 525	14 592
Fortress B (FFB)	135 870 288	1 970 119	135 870 288	2 044 848
		1 987 392		2 059 440
Resilient (RES)*	52 182 504	2 974 403	52 182 504	2 935 266
		4 961 795		4 994 706

* *Shares are held in treasury.*

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

A circular dealing with the restructuring of the Siyakha Trusts to achieve separate B-BBEE ownership vehicles for Resilient and Fortress is being prepared. The restructuring is expected to be finalised by June 2019.

CHANGES TO THE BOARD

Bryan Hopkins retires from the Board on 15 February 2019. The Board expresses its gratitude for his many years of hard work, particularly over the past 14 months. Following Bryan Hopkins' retirement, David Brown has been appointed chairman of the audit committee.

Stuart Bird, the previous CEO of Mr Price Group, has joined the Board as an independent non-executive director effective from 1 February 2019.

FINANCIAL COMMENTARY

Loan-to-value ratio, funding and facilities

Following the receipt of the proceeds from the disposal of the Portuguese assets of R1,1 billion and R2,1 billion received as a return of capital from Lighthouse, Resilient repaid R915 million of notes under its DMTN programme and R778 million of bank facilities. The remaining funds were deposited into the Group's access facilities.

Resilient reduced cross-currency swaps by EUR42 million, being the *pro rata* share of Euro denominated debt, following the return of capital from Lighthouse. The loan-to-value ratio of the Group was 25,7% at December 2018. This ratio is based on the management accounts and excludes the debt of the Siyakha Trusts owed to Fortress for which there is no recourse to Resilient.

To date, 3 920 125 Resilient shares were acquired through the open market at an average price of R54,23 and are held in treasury.

Resilient has secured a new R570 million bank facility with direct property as collateral. The Company's underlying business remains sound and the Board is confident that it will be able to successfully renew expiring facilities.

Facility expiry	Amount 'million	Average margin
South Africa		
Jun 2019	R874	3-month Jibar+1,46%
Jun 2020	R4 554	3-month Jibar+1,66%
Jun 2021	R2 155	3-month Jibar+1,94%
Jun 2022	R3 148	3-month Jibar+1,89%
Jun 2023	R1 241	3-month Jibar+1,69%
Jun 2024	R270	3-month Jibar+1,80%
	R12 242	3-month Jibar+1,76%
Nigeria		
Mar 2024	USD45	90-day US Libor+6,25%

All facilities represent Resilient's proportionate share.

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

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'million	Average swap rate %
Jun 2020	300	6,15
Jun 2021	1 000	7,68
Jun 2022	300	8,08
Jun 2023	100	7,91
Jun 2024	500	7,78
Jun 2025	100	7,78
	2 300	**7,57**

Interest rate cap expiry	Amount R'million	Average cap rate %
Jun 2020	300	7,54
Jun 2021	300	7,92
Jun 2023	500	7,77
Jun 2024	1 100	7,98
Jun 2027	500	8,22
Jun 2028	500	7,92
	3 200	**7,93**

The all-in weighted average cost of funding of Resilient was 9,00% at December 2018 and the average hedge term was 4,1 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	67 500	0,39		
Jun 2023	67 500	0,52	22 000	2,42
Jun 2024	42 500	0,39		
Jun 2025	22 500	0,48		
	200 000	**0,44**	**22 000**	**2,42**

Exposure to variable interest rates	South Africa '000	Offshore listed in South Africa '000	Nigeria '000
Interest-bearing borrowings	R9 970 617		
Currency derivatives	(R3 595 263)	R3 595 263	
Foreign denominated debt	(R394 327)		R394 327
Loans to co-owners	(R593 184)		
Tenant loans advanced	(R27 110)		
Cash and cash equivalents	(R639 160)		(R10 047)
Capital commitments contracted for	R244 553		
Capital commitments approved	R27 000		
	R4 993 126	R3 595 263	R384 280
Exchange rate		16,27	14,35
Exposure	R4 993 126	EUR220 975	USD26 779
Interest rate derivatives			
– swaps/caps	R5 500 000	EUR200 000	USD22 000
Percentage hedged	**110,2% (R)**	**90,5% (EUR)**	**82,2% (USD)**

Currency derivatives

Balance sheet hedging

The Board's policy is to use cross-currency swaps to mitigate exposure to foreign currency risk on its investments in Lighthouse and NEPI Rockcastle. This has the effect of obtaining funding in currencies similar to that of the underlying foreign investments. At December 2018, cross-currency swaps totalled EUR221 million at an exchange rate of R16,27 against investments of EUR564 million.

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
Jun 2019	R18,91	R18,28	R14,37
Dec 2019	R18,89	R17,85	R14,39
Jun 2020	R20,12	R18,85	R15,05
Dec 2020	R19,79	R19,05	R14,23
Jun 2021	R22,91	R20,27	R15,77

Due to the volatility in the exchange rates, 33% of the income projected to be received for each of December 2020 and December 2021 has not yet been hedged.

SUMMARY OF FINANCIAL PERFORMANCE

	Dec 2018	Jun 2018	Dec 2017	Jun 2017
Dividend (cents per share)	**263,66**	258,98	306,46	297,07
Shares in issue for IFRS	**368 851 371**	371 536 240	371 771 496	352 056 149
Shares held in treasury: Resilient Properties	**3 920 125**	1 235 256	–	–
Shares held in treasury: the Siyakha Trusts	**52 182 504**	52 182 504	53 182 504	49 204 060
Shares in issue and used for dividend per share calculation	**424 954 000**	424 954 000	424 954 000	401 260 209
Management account information				
Net asset value per share	**R64,65***	R66,18*	R105,35	R89,44
Loan-to-value ratio (%)**	**25,7**	30,1	20,1	24,8
Net property expense ratio (%)	**17,4**	16,8	18,5	15,4
Gross property expense ratio (%)	**36,1**	35,0	36,1	35,6
Net total expense ratio (%)	**16,1**	15,9	15,5	13,7
Gross total expense ratio (%)	**30,9**	29,3	28,5	28,1
IFRS accounting				
Net asset value per share	**R59,42**	R61,49	R106,75	R81,38

* *The Group's claims against the Siyakha Trusts exceed 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 ignored in the calculation. Refer to page 22.*

** *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 23.*

The loan-to-value ratio for the Group's Euro debt was 39,2% and for its US Dollar debt 48,7% at December 2018.

SPECIAL COMMITTEE FEEDBACK

The Board believes that it has done everything reasonable within its power to investigate allegations of wrongdoing by the Company, its employees and directors. To date, no allegations have been substantiated by third parties and our own independent investigations have not revealed any wrongdoing on the part of the Company, its employees and directors. For more detail on the special committee's feedback refer to the SENS announcement of 13 December 2018 which is available on our website. We will continue to assist and support the Financial Sector Conduct Authority ("FSCA") and look forward to the swift conclusion of their investigation.

PROSPECTS

Resilient is in the fortunate position of having a conservatively geared balance sheet with a predominantly strong corporate tenant profile. After a long bull market, global property markets have entered a period of greater uncertainty and decreased liquidity. Property markets are cyclical and Resilient is well-positioned to take advantage of opportunities that may arise.

Economic conditions in South Africa remain challenging. As a result, Resilient's distribution is forecast to be between 530 and 550 cents per share for the 2019 financial year.

The forecast is based on the assumptions that there is no material 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 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 auditor.

By order of the Board

Alan Olivier	Des de Beer	Nick Hanekom
Chairman	*Chief executive officer*	*Chief financial officer*

Johannesburg
14 February 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Dec 2018 R'000	Audited Jun 2018 R'000	Restated Dec 2017 R'000
ASSETS			
Non-current assets	**36 239 542**	38 678 611	58 467 513
Investment property	**23 722 813**	22 838 483	21 719 718
Straight-lining of rental revenue adjustment	**440 463**	395 407	379 515
Investment property under development	**415 561**	796 582	761 508
Investment in and loans to associate and joint venture	**810 683**	2 709 119	3 980 363
Investments	**10 458 374**	11 340 992	30 501 125
Staff incentive loans	**39 188**	184 657	557 373
Loans to co-owners	**147 066**	140 124	250 497
Other financial assets	**159 172**	222 302	269 377
Other assets	**46 222**	50 945	48 037
Current assets	**1 475 288**	950 960	1 366 047
Staff incentive loans	**2 022**	5 461	16 297
Loans to co-owners	**447 419**	182 537	–
Trade and other receivables	**274 182**	183 349	225 696
Hammerson equity derivative	**–**	–	68 860
Other financial assets	**70 114**	49 958	536 695
Other assets	**20 967**	19 616	7 880
Cash and cash equivalents	**660 584**	510 039	510 619
Non-current asset held for sale	**–**	1 063 057	–
Total assets	**37 714 830**	40 692 628	59 833 560
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	**21 917 564**	22 845 898	39 687 245
Stated capital	**13 822 359**	13 822 359	16 504 668
Treasury shares	**(4 508 341)**	(4 363 737)	(4 398 919)
Currency translation reserve	**204 996**	115 481	44 624
Reserves	**12 398 550**	13 271 795	27 536 872
Non-controlling interests	**69 211**	52 761	54 873
Total equity	**21 986 775**	22 898 659	39 742 118
Total liabilities	**15 728 055**	17 793 969	20 091 442
Non-current liabilities	**12 607 505**	14 754 431	17 971 113
Interest-bearing borrowings	**11 502 861**	13 703 284	15 992 402
Other financial liabilities	**28 462**	40 742	77 776
Deferred tax	**99 621**	22 917	939 508
Amounts owing to non-controlling shareholders	**976 561**	987 488	961 427
Current liabilities	**3 120 550**	3 039 538	2 120 329
Trade and other payables	**362 735**	390 680	390 283
Other financial liabilities	**64 600**	374 156	14 812
Other liabilities	**46 210**	36 780	11 427
Income tax payable	**417**	20 406	–
Interest-bearing borrowings	**2 646 588**	2 217 516	1 703 807
Total equity and liabilities	**37 714 830**	40 692 628	59 833 560

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited for the six months ended Dec 2018 R'000	Audited for the year ended Jun 2018 R'000	Restated for the six months ended Dec 2017 R'000
Income statement			
Recoveries and contractual rental revenue	**1 389 081**	2 620 104	1 292 063
Straight-lining of rental revenue adjustment	**44 560**	41 683	26 684
Revenue from direct property operations	**1 433 641**	2 661 787	1 318 747
Revenue from investments	**480 910**	1 205 117	641 115
Total revenue	**1 914 551**	3 866 904	1 959 862
Fair value (loss)/gain on investment property, investments and derivative financial instruments	**(749 133)**	(8 652 225)	5 574 091
Fair value gain on investment property	**–**	745 274	–
Adjustment resulting from straight-lining of rental revenue	**(44 560)**	(41 683)	(26 684)
Fair value (loss)/gain on investments	**(776 651)**	(9 266 220)	5 416 313
Fair value gain/(loss) on currency derivatives	**123 039**	(107 557)	185 359
Fair value (loss)/gain on interest rate derivatives	**(50 961)**	17 961	(897)
Property operating expenses	**(508 064)**	(931 041)	(472 543)
Administrative expenses	**(52 592)**	(153 279)	(60 127)
Foreign exchange (loss)/gain	**(20 022)**	76 386	(36 558)
Profit on sale of interest in associate	**–**	3 538 393	3 538 393
Profit on sale of Locaviseu	**17 818**	–	–
Donations received by The Siyakha 1 Education Trust	**–**	16 000	–
Impairment of investment in associate	**(19 495)**	(126 419)	–
Impairment of staff incentive loans receivable	**(20 956)**	(72 685)	–
Impairment of loans receivable	**–**	(33 876)	–
Amortisation of interest rate cap premiums	**(4 723)**	(6 972)	–
Income/(loss) from associate and joint venture	**256 706**	(179 466)	(5 036)
– distributable	**86 579**	237 229	108 569
– non-distributable	**170 127**	(416 695)	(113 605)
Profit/(loss) before net finance costs	**814 090**	(2 658 280)	10 498 082
Net finance costs	**(639 017)**	(1 513 761)	(802 748)
Finance income	**40 667**	86 652	39 695
Interest received: loans and cash balances	**40 667**	86 652	39 695
Finance costs	**(679 684)**	(1 600 413)	(842 443)
Interest on borrowings	**(709 710)**	(1 655 891)	(871 124)
Capitalised interest	**30 026**	55 478	28 681
Profit/(loss) before income tax	**175 073**	(4 172 041)	9 695 334
Income tax	**(91 600)**	866 648	(27 781)
Profit/(loss) for the period	**83 473**	(3 305 393)	9 667 553

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

	Unaudited for the six months ended Dec 2018 R'000	Audited for the year ended Jun 2018 R'000	Restated for the six months ended Dec 2017 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	**124 847**	(21 215)	(9 789)
Total comprehensive income/(loss) for the period	**203 683**	(3 326 608)	9 657 764
Profit/(loss) for the period attributable to:			
Equity holders of the Company	**61 354**	(3 320 347)	9 667 805
Non-controlling interests	**22 119**	14 954	(252)
	83 473	(3 305 393)	9 667 553
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Company	**176 824**	(3 346 165)	9 665 250
Non-controlling interests	**26 859**	19 557	(7 486)
	203 683	(3 326 608)	9 657 764
Basic earnings/(loss) per share (cents)	**16,57**	(900,37)	2 645,73

Resilient has no dilutionary instruments in issue.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the six months ended Dec 2018 R'000	Audited for the year ended Jun 2018 R'000	Restated for the six months ended Dec 2017 R'000
Operating activities			
Cash generated from operations	**1 273 072**	2 689 320	1 011 009
Interest paid	**(616 084)**	(1 659 285)	(871 124)
Dividends paid	**(960 518)**	(2 296 325)	(1 127 822)
Income tax paid	**(34 885)**	(1 756)	–
Cash outflow from operating activities	**(338 415)**	(1 268 046)	(987 937)
Investing activities			
Development and improvement of investment property	**(407 258)**	(714 840)	(289 092)
Acquisition of investment property	**(77 694)**	–	–
Increase of interest in associate	**–**	(942 859)	(788 035)
Return of capital by associate	**2 134 702**	–	–
Loans to joint venture repaid	**–**	–	1 701
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	**124 553**	450 286	54 179
Co-owner loans advanced	**(271 824)**	(110 165)	(38 001)
Tenant loans repaid/(advanced)	**5 585**	(33 245)	(2 479)
Acquisition of investments	**–**	(370 547)	(285 840)
Proceeds on disposal of investments	**105 967**	2 489 911	517 253
Proceeds on disposal of Locaviseu	**1 063 258**	–	–
Cash flow on Hammerson equity derivative	**–**	21 647	45 447
Interest received	**44 066**	101 871	39 695
Cash flow on currency derivatives	**(206 397)**	187 345	(449 474)
Cash flow on interest rate derivatives	**(5 972)**	(134 361)	(65 126)
Cash inflow/(outflow) from investing activities	**2 508 986**	800 064	(1 259 772)
Financing activities			
Decrease in interest-bearing borrowings	**(1 864 977)**	(2 305 590)	(533 575)
Acquisition of additional interest in subsidiaries	**(10 445)**	(34 356)	(34 356)
Proceeds on disposal of treasury shares	**–**	69 671	9 979
Acquisition of treasury shares	**(144 604)**	(341 176)	(273 192)
Raising of stated capital	**–**	2 733 706	2 733 706
Cash (outflow)/inflow from financing activities	**(2 020 026)**	122 255	1 902 562
Increase/(decrease) in cash and cash equivalents	**150 545**	(345 727)	(345 147)
Cash and cash equivalents at the beginning of the period	**510 039**	855 766	855 766
Cash and cash equivalents at the end of the period	**660 584**	510 039	510 619
Cash and cash equivalents consist of:			
Current accounts	**660 584**	510 039	510 619

Cash flow from investing activities includes the following items available for distribution: net interest received on interest rate derivatives and cross-currency swaps of R139 million, interest received on loans and cash balances of R44 million and realised profits on forward exchange contracts of R57 million. Trade and other receivables include dividends of R87 million from Lighthouse that were received on 7 January 2019.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited	Stated capital R'000	Treasury shares R'000	Currency translation reserve R'000	Reserves 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		(517 298)		4 177	(513 121)		(513 121)
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			(2 555)		(2 555)	(7 234)	(9 789)
Profit/(loss) for the period				9 667 805	9 667 805	(252)	9 667 553
Dividend paid				(1 104 218)	(1 104 218)	(23 604)	(1 127 822)
Transfer to currency translation reserve			(18 547)	18 547	–		–
Balance at Dec 2017	16 504 668	(4 398 919)	44 624	27 536 872	39 687 245	54 873	39 742 118
Resilient shares held by the Siyakha Trusts		103 166		(43 474)	59 692		59 692
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
Exchange differences on translation of foreign operations			(23 263)		(23 263)	11 837	(11 426)
(Loss)/profit for the period				(12 988 152)	(12 988 152)	15 206	(12 972 946)
Dividend paid				(1 139 331)	(1 139 331)	(29 172)	(1 168 503)
Transfer to currency translation reserve			94 120	(94 120)	–		–
Balance at Jun 2018	**13 822 359**	**(4 363 737)**	**115 481**	**13 271 795**	**22 845 898**	**52 761**	**22 898 659**
Shares acquired and held in treasury		**(144 604)**			**(144 604)**		**(144 604)**
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			**120 107**		**120 107**	**4 740**	**124 847**
Profit for the period				**61 354**	**61 354**	**22 119**	**83 473**
Dividend paid				**(960 518)**	**(960 518)**		**(960 518)**
Transfer to currency translation reserve			**(25 955)**	**25 955**	**–**		**–**
Balance at Dec 2018	**13 822 359**	**(4 508 341)**	**204 996**	**12 398 550**	**21 917 564**	**69 211**	**21 986 775**

RESILIENT REIT LIMITED CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTES

1. PREPARATION AND ACCOUNTING POLICIES

The condensed unaudited consolidated interim financial statements have been prepared in accordance with and contain the information required by IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa. This report complies with the SA REIT Association Best Practice Recommendations. This report was compiled under the supervision of Nick Hanekom CA(SA), the chief financial officer.

The accounting policies applied in the preparation of the condensed consolidated interim financial statements 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 period.

The Group's investment properties are valued internally by the directors at interim reporting periods and externally by an independent valuer for year-end reporting. In terms of IAS 40: *Investment Property* and IFRS 7: *Financial Instruments: Disclosure,* 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 7,3% 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 points increase in the capitalisation rate will decrease the value of investment property by R714,2 million. A 25 basis points decrease in the capitalisation rate will increase the value of investment property by R760,1 million. A 1% increase in vacancy for a full year will decrease the value of investment property by R295,5 million. A change in the assumption on maintenance cost will not have a significant impact on the fair value of investment property.

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.

There were no transfers between levels 1, 2 and 3 during the period. 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 December 2018 that require any additional disclosure or adjustment to the financial statements.

The condensed consolidated interim financial statements have not been audited or reviewed by Resilient's auditor.

2. LEASE EXPIRY PROFILE

Lease expiry: South Africa	Based on rentable area %	Based on contractual rental revenue %
Vacant	1,8	
Jun 2019	9,7	11,1
Jun 2020	14,1	17,3
Jun 2021	17,7	20,0
Jun 2022	12,7	14,6
Jun 2023	14,4	15,5
> Jun 2023	29,6	21,5
	100,0	**100,0**

3. SEGMENTAL ANALYSIS

	Unaudited for the six months ended Dec 2018 R'000	Audited for the year ended Jun 2018 R'000	Restated for the six months ended Dec 2017 R'000
Total assets			
Retail: South Africa	**23 380 380**	22 889 442	21 672 845
Retail: Nigeria	**1 392 499**	1 320 299	1 287 291
Retail: Portugal	**–**	1 063 057	882 283
Corporate: South Africa	**12 930 925**	15 397 480	35 978 916
Corporate: Nigeria	**11 026**	22 350	12 225
	37 714 830	40 692 628	59 833 560
Total liabilities			
Retail: South Africa	**310 295**	279 275	254 969
Retail: Nigeria	**31 689**	25 320	23 222
Corporate: South Africa	**14 236 514**	16 384 819	18 781 830
Corporate: Nigeria	**1 149 557**	1 104 555	1 031 421
	15 728 055	17 793 969	20 091 442
Total revenue			
Revenue from direct property operations			
Retail: South Africa	**1 353 845**	2 529 296	1 251 170
Retail: Nigeria	**79 796**	132 491	67 577
Revenue from investments			
Corporate: South Africa	**473 729**	1 205 117	641 115
Revenue from non-current asset held for sale			
Retail: Portugal	**7 181**	–	–
	1 914 551	3 866 904	1 959 862
Profit/(loss) for the period			
Retail: South Africa	**837 744**	2 476 050	794 679
Retail: Nigeria	**43 273**	(41 788)	33 253
Retail: Portugal	**24 999**	116 727	27 549
Corporate: South Africa	**(770 773)**	(5 745 435)	8 903 875
Corporate: Nigeria	**(51 770)**	(110 947)	(91 803)
	83 473	(3 305 393)	9 667 553

3. SEGMENTAL ANALYSIS continued

Reconciliation of profit/(loss) for the period to dividend declared	Unaudited for the six months ended Dec 2018 R'000	Audited for the year ended Jun 2018 R'000	Restated for the six months ended Dec 2017 R'000
Profit/(loss) for the period	83 473	(3 305 393)	9 667 553
Fair value gain on investment property	–	(745 274)	–
Fair value loss/(gain) on investments	776 651	9 266 220	(5 416 313)
Fair value (gain)/loss on currency derivatives	(123 039)	107 557	(185 359)
Realised gain: forward exchange contracts	57 286	129 129	59 957
Interest received: cross-currency swaps	145 286	314 008	142 717
Fair value loss/(gain) on interest rate derivatives	50 961	(17 961)	(6 400)
Interest received: interest rate derivatives	1 259	5 816	–
Interest paid: interest rate derivatives	(7 231)	(23 681)	(1 913)
Foreign exchange loss/(gain)	20 022	(76 386)	36 558
Profit on sale of interest in associate	–	(3 538 393)	(3 538 393)
Profit on sale of Locaviseu	(17 818)	–	–
Impairment of investment in associate	19 495	126 419	–
Impairment of loans receivable	–	33 876	–
Non-distributable (gain)/loss from associates	(170 127)	416 695	113 605
Income tax	91 600	(866 648)	27 781
Non-controlling interests	(15 169)	(31 366)	(11 865)
Antecedent dividend	(3 585)	22 381	25 449
Income hedging adjustment of Nigeria and Portugal performance	(1 089)	5 391	(989)
Termination of interest rate derivatives	–	(14 354)	–
Dividends accrued	(48 037)	(95 285)	(20 531)
Amount available for distribution under best practice	**859 938**	1 712 751	891 857
Effect of consolidating the Siyakha Trusts*	**235 518**	493 323	247 474
– relating to Resilient	131 008	256 029	134 546
– relating to Fortress	104 510	237 294	112 928
Adjustment for revised distributable earnings relating to the Siyakha Trusts	(122 942)	(104 538)	–
Reverse interest received on the loans to the Siyakha Trusts (Jun 2018: during the second half of the year)	(267 067)	(211 680)	
Dividends to be received by the Siyakha Trusts on shares pledged to Resilient	144 125	141 795	
Interest on borrowings to effect Siyakha restructuring		(34 653)	
Dividend declared	**(972 514)**	(2 101 536)	(1 139 331)
Dividend declared – interim	(972 514)	(1 139 331)	(1 139 331)
– total share register	(1 120 434)	(1 302 314)	(1 302 314)
– shares held in treasury: Resilient Properties	10 336	–	–
– shares held in treasury: the Siyakha Trusts	137 584	162 983	162 983
Dividend declared – final		(962 205)	
– total share register		(1 100 546)	
– shares held in treasury: Resilient Properties		3 199	
– shares held in treasury: the Siyakha Trusts		135 142	
	–	–	–

** This is the amount by which the expenses of the Siyakha Trusts exceeded the dividends it received during the period.*

	Unaudited for the six months ended Dec 2018 R'000	Audited for the year ended Jun 2018 R'000	Restated for the six months ended Dec 2017 R'000
Reconciliation of profit/(loss) for the period to headline earnings			
Basic earnings/(loss) – profit/(loss) for the period attributable to equity holders	61 354	(3 320 347)	9 667 805
Adjusted for:	40 158	(4 115 565)	(3 513 775)
– fair value loss/(gain) on investment property	43 118	(703 591)	26 684
– profit on sale of interest in associate	–	(3 538 393)	(3 538 393)
– profit on sale of Locaviseu	(17 818)	–	–
– impairment of investment in associate	19 495	126 419	–
– exchange differences realised on disposal of joint venture and associate	(4 637)	–	6 346
– income tax effect	–	–	(8 412)
Headline earnings/(loss)	101 512	(7 435 912)	6 154 030
Headline earnings/(loss) per share (cents)	27,42	(2 016,38)	1 684,14

Basic earnings per share and headline earnings per share are based on the weighted average of 370 211 202 (Jun 2018: 368 775 538; Dec 2017: 365 411 122) shares in issue during the period.

Resilient has no dilutionary instruments in issue.

4. RESTATEMENT OF DECEMBER 2017 FINANCIAL STATEMENTS

In line with the June 2018 annual financial statements, the following restatements are noted in respect of the December 2017 comparative information:

Trade and other receivables and trade and other payables

Balances included in trade and other receivables and trade and other payables were reclassified. The intention was to separately disclose derivative balances and loans advanced in a category called other financial assets/liabilities and also to separate items that do not meet the definition of a financial instrument into a category called other assets/liabilities in order to enhance disclosure. The line items impacted by this reclassification are as follows:

	Unaudited Dec 2017 R'000
Other financial assets (non-current)	22 971
Other assets (non-current)	48 037
Trade and other receivables	(615 583)
Other financial assets (current)	536 695
Other assets (current)	7 880
Total assets	**–**
Trade and other payables	(26 239)
Other financial liabilities (current)	14 812
Other liabilities (current)	11 427
Total liabilities	**–**

RESILIENT REIT LIMITED CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Reclassification of derivatives in the statement of comprehensive income

The Group does not apply hedge accounting and as such the following reclassifications as a result of a prior period error were made:

- Interest paid on interest rate derivatives, together with the fair value adjustment on interest rate derivatives, was removed from net finance costs and is now disclosed in the income statement as a fair value loss on interest rate derivatives;
- The interest received on currency derivatives was removed from net finance costs and is now included in the fair value gain on currency derivatives in the income statement; and
- The cash flow on the expiry of forward exchange contracts, previously included in revenue from investments, has been reclassified to fair value gain on currency derivatives.

Impact on statement of profit or loss (increase/(decrease) in profit)	Unaudited for the six months ended Dec 2017 R'000
Revenue from investments	(59 957)
Fair value gain on currency derivatives	202 674
Fair value loss on interest rate derivatives	(897)
Finance income	(151 030)
Finance costs	9 210
Net impact on profit for the period	**–**

Restatement of items disclosed in the statement of cash flows (prior period error)

Interest received on loans of R39,695 million is not revenue in nature and is ancillary to Resilient's business. As such, since cash flows from operating activities are primarily derived from the principal revenue-producing activities of the entity, the cash related to interest received has been reclassified from operating activities to investing activities.

Tenant loans advanced was previously included in trade and other receivables and has been reclassified to other financial assets. This resulted in an increase of R2,479 million in cash generated from operating activities and a decrease in investing activities.

As derivative contracts are not held for dealing or trading purposes, the cash flows were reclassified as investing activities. The following reclassifications were made:

- Interest received on cross-currency swaps, previously classified as cash flows from operating activities, has been reclassified to cash flow on currency derivatives in cash flow from investing activities; and
- Interest paid on interest rate derivatives, previously classified as cash flows from operating activities, has been reclassified to cash flow on interest rate derivatives in cash flows from investing activities.

Impact on statement of cash flows (increase/(decrease) in cash flows)	Unaudited for the six months ended Dec 2017 R'000
Cash generated from operations	(1 562)
Interest received*	(142 717)
Interest paid	9 210
Cash flows from operating activities	**(135 069)**
Tenant loans advanced	(2 479)
Cash flow on currency derivatives	202 674
Cash flow on interest rate derivatives	(65 126)
Cash flows from investing activities	**135 069**

** Interest received has subsequently been reclassified to investing activities.*

MANAGEMENT ACCOUNTS

BASIS OF PREPARATION

In order to provide information of relevance to investors these management accounts, which comprise financial information extracted from the condensed unaudited consolidated interim financial statements for the six months ended December 2018, have been prepared and are presented below to provide users with the position:

- Had 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 period 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.

This *pro forma* financial information has not been reviewed or reported on by Resilient's auditor.

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 condensed consolidated statement of financial position and the condensed 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.

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 Siyakha Trusts. Furthermore, the external debt of the Siyakha Trusts is ring-fenced to the Siyakha Trusts and as such the Board does not believe that this debt should impact the loan-to-value ratio of Resilient. It is for these reasons that the Siyakha Trusts are deconsolidated in the preparation of the management accounts. 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 31 December 2018. 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 at June 2018. These indirect investments were disposed of during the interim period. 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 six months ended December 2018 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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	IFRS Dec 2018 R'000	Adjustment 1 Component disclosure Dec 2018 R'000	Adjustment 2 Deconsolidation of the Siyakha Trusts Dec 2018 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse Dec 2018 R'000	Adjustment 5 Proportionate consolidation of partially-owned subsidiaries Dec 2018 R'000	Management accounts Dec 2018 R'000
ASSETS						
Non-current assets	36 239 542	–	1 095 394	–	(1 313 767)	36 021 169
Investment property	23 722 813				(1 379 836)	22 342 977
Straight-lining of rental revenue adjustment	440 463				(19 671)	420 792
Investment property under development	415 561				(4 972)	410 589
Investment in and loans to associate and joint venture	810 683			(810 683)		–
Investments	10 458 374		(1 987 392)	810 683		9 281 665
Staff incentive loans	39 188					39 188
Loans to BEE ownership vehicle	–		3 082 786			3 082 786
Loans to co-owners	147 066				90 712	237 778
Other financial assets	159 172	(159 172)				–
Fair value of interest rate derivatives		132 531				132 531
Fair value of currency derivatives		9 816				9 816
Loans advanced		16 825				16 825
Other assets	46 222					46 222
Current assets	1 475 288	–	(333)	–	(18 779)	1 456 176
Staff incentive loans	2 022					2 022
Loans to co-owners	447 419					447 419
Trade and other receivables	274 182		(89)		(7 646)	266 447
Other financial assets	70 114	(70 114)				–
Fair value of interest rate derivatives		13				13
Fair value of currency derivatives		59 816				59 816
Loans advanced		10 285				10 285
Other assets	20 967					20 967
Cash and cash equivalents	660 584		(244)		(11 133)	649 207
Total assets	37 714 830	–	1 095 061	–	(1 332 546)	37 477 345

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

	IFRS Dec 2018 R'000	Adjustment 1 Component disclosure Dec 2018 R'000	Adjustment 2 Deconsolidation of the Siyakha Trusts Dec 2018 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse Dec 2018 R'000	Adjustment 5 Proportionate consolidation of partially-owned subsidiaries Dec 2018 R'000	Management accounts Dec 2018 R'000
EQUITY AND LIABILITIES						
Total equity attributable to equity holders	21 917 564	–	5 010 039	–	–	26 927 603
Stated capital	13 822 359					13 822 359
Treasury shares	(4 508 341)		4 295 753			(212 588)
Currency translation reserve	204 996					204 996
Reserves	12 398 550		714 286			13 112 836
Non-controlling interests	69 211				(69 211)	–
Total equity	21 986 775	–	5 010 039	–	(69 211)	26 927 603
Total liabilities	15 728 055	–	(3 914 978)	–	(1 263 335)	10 549 742
Non-current liabilities	12 607 505	–	(3 914 800)	–	(1 240 584)	7 452 121
Interest-bearing borrowings	11 502 861		(3 914 800)		(264 032)	7 324 029
Other financial liabilities	28 462	(28 462)				–
Fair value of interest rate derivatives		15 960				15 960
Fair value of currency derivatives		12 502				12 502
Deferred tax	99 621				9	99 630
Amounts owing to non-controlling shareholders	976 561				(976 561)	–
Current liabilities	3 120 550	–	(178)	–	(22 751)	3 097 621
Trade and other payables	362 735		(178)		(15 412)	347 145
Other financial liabilities	64 600	(64 600)				–
Fair value of currency derivatives		64 600				64 600
Other liabilities	46 210				(7 339)	38 871
Income tax payable	417					417
Interest-bearing borrowings	2 646 588					2 646 588
Total equity and liabilities	37 714 830	–	1 095 061	–	(1 332 546)	37 477 345

Calculation: net asset value per share

	IFRS R'000	Management accounts R'000
Total equity attributable to equity holders	21 917 564	26 927 603
Loans to BEE ownership vehicle: claims of Resilient exceed value of shares held as collateral		(3 082 786)*
Net asset value	21 917 564	23 844 817
Total number of shares in issue	424 954 000	424 954 000
Shares held in treasury: Resilient Properties	(3 920 125)	(3 920 125)
Shares held in treasury: the Siyakha Trusts	(52 182 504)	(52 182 504)*
Shares in issue	368 851 371	368 851 371

* *Whilst the Siyakha Trusts have negative net asset values, the shares and loans should be ignored.*

Net asset value per share	**R59,42****	**R64,65**

** *This ratio takes into account the negative net asset value of the Siyakha Trusts relating to the loans advanced by Fortress (investment of R1,99 billion and debt owed to Fortress of R3,91 billion). Fortress has no recourse to Resilient for its loans advanced to the Siyakha Trusts.*

Calculation: loan-to-value ratio

	IFRS R'000	Management accounts R'000
Assets		
Investment property	23 722 813	22 342 977
Straight-lining of rental revenue adjustment	440 463	420 792
Investment property under development	415 561	410 589
Investment in and loans to associate and joint venture	810 683	–
Investments	10 458 374	9 281 665
Staff incentive loans	41 210	41 210
Loans to BEE ownership vehicle	–	3 082 786
Loans to co-owners	594 485	685 197
Loans advanced	27 110	27 110
	36 510 699	36 292 326
Net debt		
Cash and cash equivalents	(660 584)	(649 207)
Interest-bearing borrowings	14 149 449	9 970 617
	13 488 865	9 321 410
Loan-to-value ratio	**36,9%***	**25,7%**

* *This ratio includes the debt and investments of the Siyakha Trusts relating to Fortress.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Income statement	IFRS for the six months ended Dec 2018 R'000	Adjustment 1 Component disclosure for the six months ended Dec 2018 R'000	Adjustment 2 Deconsolidation of the Siyakha Trusts for the six months ended Dec 2018 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse for the six months ended Dec 2018 R'000	Adjustment 4 Proportionate consolidation of investment in Locaviseu for the six months ended Dec 2018 R'000	Adjustment 5 Proportionate consolidation of partially-owned subsidiaries for the six months ended Dec 2018 R'000	Management accounts for the six months ended Dec 2018 R'000
Recoveries and contractual rental revenue	1 389 081				12 911	(81 773)	1 320 219
Straight-lining of rental revenue adjustment	44 560					(1 442)	43 118
Revenue from direct property operations	1 433 641	–	–	–	12 911	(83 215)	1 363 337
Revenue from investments	480 910		(121 498)	86 579	(7 181)		438 810
Realised gain: forward exchange contracts		57 286					57 286
Total revenue	1 914 551	57 286	(121 498)	86 579	5 730	(83 215)	1 859 433
Fair value loss on investment property, investments and derivative financial instruments	(749 133)	(196 600)	72 047	150 632	(65 215)	1 442	(786 827)
Fair value gain on investment property	–				(65 215)		(65 215)
Adjustment resulting from straight-lining of rental revenue	(44 560)					1 442	(43 118)
Fair value loss on investments	(776 651)		72 047	150 632			(553 972)
Fair value gain on currency derivatives	123 039	(123 039)					–
Unrealised fair value gain		329 437					329 437
Realised loss: cross-currency swaps		(408 970)					(408 970)
Fair value loss on interest rate derivatives	(50 961)	50 961					–
Unrealised fair value loss		(44 989)					(44 989)
Property operating expenses	(508 064)				(2 521)	34 030	(476 555)
Administrative expenses	(52 592)		3 053		227	3 374	(45 938)
Foreign exchange loss	(20 022)					(6 949)	(26 971)
Profit on sale of Locaviseu	17 818						17 818
Impairment of investment in associate	(19 495)			19 495			–
Impairment of staff incentive loans receivable	(20 956)						(20 956)
Impairment of loans receivable	–		(1 733 030)				(1 733 030)
Amortisation of interest rate cap premiums	(4 723)						(4 723)
Impairment of goodwill	–				(183 271)*		(183 271)
Income from associate and joint venture	256 706	–	–	(256 706)	–	–	–
– distributable	86 579			(86 579)			–
– non-distributable	170 127			(170 127)			–
Profit before net finance costs	814 090	(139 314)	(1 779 428)	–	(245 050)	(51 318)	(1 401 020)
Net finance costs	(639 017)	139 314	491 548	–	(2 092)	29 199	18 952
Finance income	40 667	146 545	267 065	–	–	28 730	483 007
Interest received: loans and cash balances	40 667		267 065			28 730	336 462
Interest received: interest rate derivatives		1 259					1 259
Interest received: cross-currency swaps		145 286					145 286
Finance costs	(679 684)	(7 231)	224 483	–	(2 092)	469	(464 055)
Interest on borrowings	(709 710)		224 483		(2 092)	469	(486 850)
Interest paid: interest rate derivatives		(7 231)					(7 231)
Capitalised interest	30 026						30 026
Profit before income tax expense	175 073	–	(1 287 880)	–	(247 142)	(22 119)	(1 382 068)
Income tax	(91 600)				247 142*		155 542
Profit for the period	83 473	–	(1 287 880)	–	–	(22 119)	(1 226 526)
Profit for the period attributable to:							
Equity holders of the Company	61 354		(1 287 880)				(1 226 526)
Non-controlling interests	22 119					(22 119)	–
	83 473	–	(1 287 880)	–	–	(22 119)	(1 226 526)

** 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.*

RESILIENT REIT LIMITED CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

DIVIDEND CALCULATION

	Management accounts for the six months ended Dec 2018 R'000
Recoveries and contractual rental revenue	1 320 219
Revenue from investments	438 810
Realised gain: forward exchange contracts	36 330
Property operating expenses	(476 555)
Administrative expenses	(45 938)
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	(4 723)
Interest received on loans and cash balances (inclusive of interest on loans to the Siyakha Trusts at contractual rates)	336 462
Reverse interest received on the loans to the Siyakha Trusts	(267 067)
Interest received: interest rate derivatives	1 259
Interest received: cross-currency swaps	145 286
Interest on borrowings	(486 850)
Interest paid: interest rate derivatives	(7 231)
Capitalised interest	30 026
Income tax	(1 344)
Dividends accrued	(48 037)
Antecedent dividend	(3 585)
Income hedging adjustment of Nigeria performance	(1 089)
Dividends to be received by the Siyakha Trusts on shares pledged to Resilient	144 125
Dividend on shares held by Resilient Properties in treasury	10 336
Distributable earnings	1 120 434
Interim dividend	(1 120 434)
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** Non-recurring item.*

PAYMENT OF INTERIM DIVIDEND

The Board has approved and notice is hereby given of an interim dividend of 263,66000 cents per share for the six months ended 31 December 2018.

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

Last date to trade *cum* dividend	Tuesday, 5 March 2019
Shares trade *ex* dividend	Wednesday, 6 March 2019
Record date	Friday, 8 March 2019
Payment date	Monday, 11 March 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 March 2019 and Friday, 8 March 2019, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to the CSDP accounts/broker accounts on Monday, 11 March 2019. Certificated shareholders' dividend payments will be posted on or about Monday, 11 March 2019.

An announcement informing shareholders of the tax treatment of the dividend will be released separately on SENS.

DIRECTORS

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

*(*executive director)*

COMPANY SECRETARY

Monica Muller CA(SA)

REGISTERED ADDRESS

4th Floor Rivonia Village, Rivonia Boulevard, Rivonia, 2191

TRANSFER SECRETARIES

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13th Floor, 19 Ameshoff Street, Braamfontein, 2001

SPONSOR

Java Capital
6A Sandown Valley Crescent, Sandton, 2169

Release date: 15 February 2019

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