

Swaziland Property Investments Limited and its Subsidiary Companies

Audited results of the year ended 30 June 2016

Consolidated statement of comprehensive income

	2016 E'000	2015 E'000
Revenue	15 122	15 803
Operating expenses	(7 140)	(6 792)
Gross profit	7 982	9 011
Other income	69	64
Investment income	414	346
Profit before taxation	8 465	9 421
Taxation	327	(36)
Profit for the year	8 792	9 385
Other comprehensive income	-	-
Profit for the year	8 792	9 385

Consolidated statement of changes in equity

Balance at beginning of year	88 444	87 067
Profit for the year	8 792	9 385
Distribution to unit holders	(8 508)	(8 008)
Balance at end of year	88 728	88 444

Consolidated statement of financial position

Non-current assets	135 824	137 439
Investment properties	133 675	133 675
Plant and equipment	1 053	1 566
Deferred tax asset	4	16
Lease accrual	1 092	2 182
Current assets	13 262	11 492
Trade and other receivables	709	726
Lease accrual	103	62
Taxation prepaid	168	168
Cash and cash equivalents	12 282	10 536
Total assets	149 086	148 931
Equity and non-current liabilities	145 157	145 213
Ordinary shareholders funds	88 728	88 444
Debentures	56 265	56 265
Deferred tax	164	504
Current liabilities	3 929	3 718
Trade and other payables	3 892	3 680
Current tax liability	37	38
Total equity and liabilities	149 086	148 931

SWAPROP's earnings and income ratios over the past five years are shown as follows:

	2016	2015	2014	2013	2012
Earnings per linked unit (cents)	43.53	40.37	35.47	29.21	45.31
Distribution per unit (cents)	36.60	34.44	30.14	73.44	47.85
Income yield - issue price (%)	14.64	13.78	12.06	29.37	19.14
Income yield - current price (%)	6.71	6.32	5.58	13.60	8.86

Commentary

1. SWAPROP operations

Total revenue decreased by E681k arising from the rental straight lining of leases adjustment when an anchor tenant converted their 15 year lease into a three year lease.

During the year the Group's occupancy levels were high and rental income before straight lining of leases adjustment has increased from E13.6 million to E14.8 million.

The Group expenditure increased as a result of ongoing repairs and maintenance at The Mall in Mbabane and Nhlanguano Mall.

Against this backdrop the distribution of E8.5 million for the year is above that declared last year of E8.0 million.

2. Property portfolio

The directors continue to look for attractive property investment opportunities, in line with the Group's growth objective.

3. Outlook

In the forthcoming financial year, management will strive to optimise occupancy in all of the SWAPROP's property subsidiaries and increase rental incomes and contain costs.

4. Financial statements

The financial statements for the year ended 30 June 2016 have been audited by KPMG.

5. Corporate Governance

The directors and management of Swaziland Property Investments Limited confirm their commitment to the principles of openness, integrity and accountability as advocated by sound principles of Corporate Governance contained in the King Reports.

6. Distribution declaration

A final distribution (number 37) of 21.53 cents per linked unit was declared on 20 September 2016 payable to unit-holders registered in the books of the company at the close of business on 21 October 2016. The transfer books and register of members will be closed on 20 October 2016 (one day) for the purpose of identifying those unitholders to whom the distribution will be made.

The above mentioned final distribution will be paid out of current earnings.

By order of the Board

D Litchfield

Swaziland Property Investments Limited contact person: Mrs T Foster

Contact email: mallmanagement@realnet.co.sz

SPONSORING BROKERS



Swaziland
Stockbrokers Ltd
Unit G05, Lilunga
House
Somhlolo Road,
Mbabane

AUDITORS



KPMG Chartered
Accountants (Swaziland)
Umkhiwo House
Lot 175 Kal Grant Street

TRANSFER SECRETARIES



KPMG Advisory (Pty) Ltd
PO Box 331
Mbabane