1. NATURE OF THE BUSINESS

Resilient Property Income Fund Limited is a diversified property fund company listed on the JSE Limited. Its strategy is to invest in diversified regional retail spaces with a minimum of three properties in each area. The fund’s portfolio includes commercial, retail and accommodation properties, further diversified by location, property type and tenant profile.

2. DISTRIBUTABLE EARNINGS AND COMMERCIAL RESULTS

The Group reported a headlining earnings per linked unit of R1.173 (2012: R1.067) and an increase in shareholder earnings per linked unit of R0.206 (2012: R0.143) to R1.279.

3. PROPERTY ACQUISITIONS

Resilient increased its stake in The Galeria and Airforce Centre from 19% to 55% in the fourth quarter of 2013, with the expectation that the remaining 45% interest will be acquired in the first half of 2014. The cost of the additional investment is expected to be R291 million. The Group over-achieved its budgeted yield of 8% on the property.

4. PROPERTY DISPOSALS

Resilient has disposed of assets in KwaZulu-Natal and the Northern Cape. The transaction had an effective date of 1 July 2013. The properties sold to Fortress for R1.042 billion, as announced on SENS on 22 March 2013.

5. 2 DISTRIBUTIONAL ANALYSIS

Unless otherwise stated, distributions are based on an annualised effective rate of R0.931 per unit (2012: R0.851).

6. 11 SEGMENTAL ANALYSIS

The Group’s segmental analysis is based on the material consented to by the SAICA’s Accounting, Auditing and Assurance Standards. The Group is divided into four segments: Northern Region (Northern Cape), Eastern Region (KwaZulu-Natal), Southern Region (Western Cape, Free State and the Eastern Cape) and Other Regional Operations (Northam Plaza, Jabulani Mall, The Galeria and Airforce Centre). The respective periods ended: 30 June 2013 and 30 June 2012.

7. 4 LEASE EXPENSES

The Group has used a forward cover methodology to estimate its cash outflows for the respective periods. The Group has identified a forward cover methodology as the most appropriate for the Group’s specific conditions.

8. 3 LEASE EXPIRY PROFILE (at cost)

The Group has identified a forward cover methodology as the most appropriate for the Group’s specific conditions.

9. 5 5 RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS AND DISTRIBUTABLE INCOME

The reconciliation of profit for the period to headline earnings and distributable income is set out below.