**DIRECTIONS’ COMMENTARY**

1. **NATURE OF THE BUSINESS**

Resilient increased its interest in Greenbay to 27% and treated it as an associate (equity accounted) for the impact of the drought in the surrounding timber and sugar cane farming areas and the closure of the business.

2. **DISTRIBUTABLE EARNINGS AND COMMENTARY ON RESULTS**

The board’s policy is to hedge its foreign currency exposure to equity investments (Greenbay, Hammerson, and Rockcastle) for the six months ended 31 December 2016.

3. **PROPERTY ACQUISITIONS AND EXTENSIONS**

The scope of the extension to Boardwalk Inkwazi was increased to accommodate an expansion of the fashion offering. The enlarged Food Lover’s Market is trading and the fit-out and refurbishment of Pick n Pay, a substantial expansion of the fashion offering, and the right-sizing of a number of properties.

4. **RESILIENT AFRICA**

The board of Resilient Africa and property investments that are not held in undivided shares (Arbour Crossing, The Galleria, & Grocery Stores) have been consolidated.

5. **LISTED PORTFOLIO**

The board has a Q&A of 97/527,239,093, which is to be completed and a comprehensive update will be published in the coming months. The board will continue to monitor Resilient’s performance and consider new opportunities.

**9 SUMMARY OF FINANCIAL PERFORMANCE**

For the six months ended 31 December 2016.

**10 PROPERTY SHORT-DATING**

The board has reviewed the short-dating of properties and has determined that a short-dating of 3.4% of the portfolio is necessary to reflect the current market conditions.

**11 NET PROFIT FOR THE PERIOD**

Net profit for the period: R3 618 448.

**12 LEASE EXPIRY PROFILE**

Lease expiry profile for the six months ended 31 December 2016.

**13 TAGS AND ACCOUNTING POLICIES**

The group’s accounting policies are consistent with those applied in preparing the previous consolidated financial statements, with the exception of the adoption of new IFRS 8, the new income statement recognition approach and the new income statement recognition approach.

**14 DIRECTORS’ COMMENTARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Consolidated statement of changes in equity for the six months ended 31 December 2016.

**15 NOTES (Unaudited)**

The valuation methods applied are consistent with those applied in preparing the previous consolidated financial statements, with the exception of the adoption of new IFRS 8, the new income statement recognition approach and the new income statement recognition approach.

**16 CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended 31 December 2016.

**17 3 PROPERTY ACQUISITIONS AND EXTENSIONS**

The group has purchased Rockcastle on 10 September 2016 for R14 875m. The purchase consideration includes cash, a deferred payment, and an assumption of debt.

**18 5 LISTED PORTFOLIO**

Woolworths is underway.

**19 9 SUMMARY OF FINANCIAL PERFORMANCE**

5.5%.

**20 RESILIENT REIT LIMITED**

Incorporated in the Republic of South Africa Reg no 2002/016851/06 JSE share code RES ISIN ZA0000209557 ("Resilient” or “the group”) (Approved as a REIT by the JSE).

**21 4 PAYMENT OF INTERIM DIVIDEND**

The board has approved a distribution of 97.7 cents per share for the six months ended 31 December 2016.