

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2016, DECLARATION OF GBP 4 PENCE DIVIDEND AND CHANGE TO THE BOARD OF DIRECTORS

DIRECTORS' COMMENTARY

Atlantic Leaf presents its results for the year ended 28 February 2016.

The financial year ended 28 February 2016 has been a transformative year for the business, with a number of important acquisitions taking place during the year under review, including the balance of the Booker portfolio and the completion of other asset acquisitions where these assets are held by 100% owned subsidiary companies. As a result of these acquisitions, Atlantic Leaf's results include consolidated group results for the first time since incorporation.

Capital

During the year under review, the Company issued 89.5 million new shares, raising almost GBP100 million in new equity capital. This includes 44.2 million new shares which were issued on 16 February 2016, and brings total equity raised since incorporation to GBP134 million. The equity raised has been fully deployed into income producing assets.

Portfolio

Atlantic Leaf's portfolio consists of quality assets in key secondary nodes in the United Kingdom, each of which have long-term, single-tenant leases with blue chip occupiers. Total property assets at year-end stood at GBP196 million (2015: GBP13.6 million) and have grown further to GBP264 million as a result of the acquisition of a further four properties since year-end. The total gross lettable area of the portfolio now stands at 3.6 million sq ft (335,000m²), across 54 properties, with an average yield of 7.2% and a weighted average unexpired lease term of approximately 13 years.

Gearing

As announced on the website of the Stock Exchange of Mauritius Ltd ("SEM") and on the SENS of the Johannesburg Stock Exchange ("JSE") on 9 February 2016, a new debt funding package has been finalised but debt was only drawn down post year-end. Accordingly gearing at year-end of 39% (Loan-To-Value) has subsequently increased to 51%. The average cost of debt is 3.4% (including amortised upfront costs) and a weighted term to maturity of 3.5 years.

The Company has entered into interest rate swaps to protect against adverse movements in interest rates over the term of each loan. At year-end, there is a mark-to-market movement of these swaps. As this hedge is effective, this has been posted directly to a cash flow hedge reserve. This is not expected to impact on cash flows.

Earnings and NAV

The weighted average earnings per share for the period are 8.7 pence per share, which equates to a yield on Net Asset Value Per Share ("NAVPS") of 8.2% (on an historic basis), which is in line with management expectations, especially considering that many acquisitions were made during the year and the fact that valuations are largely reflected at cost. Certain of the assets in the Booker portfolio were revalued higher mainly due to higher rentals being achieved on those assets.

The Company's NAVPS stands at GBP1.08, after allowing for the proposed final distribution of 4 GBP pence per share and excluding the effect of mark-to-market valuations on interest rate swaps on the cash flow hedge reserve.

DIVIDENDS DECLARED

Following the interim distribution paid to shareholders of 3 GBP pence per share, the Board is pleased to announce a final dividend of 4 GBP pence per share for the year ended 28 February 2016.

Subject to final regulatory approvals, shareholders will be given the option to receive their dividend either in cash or as a scrip dividend at a ratio of 3.704 new shares for every 100 shares held. A cash dividend will be paid to shareholders unless shareholders elect to receive a scrip dividend.

Further information regarding the final dividend, including salient dates and exchange rates, will be announced in due course.

CHANGE TO THE BOARD OF DIRECTORS

The Company is pleased to announce that Mr Rudolf Pretorius has been appointed to the Board of directors of Atlantic Leaf as a non-executive director with effect from Monday, 11 April 2016. Rudolf has a wealth of experience, most notably in the financial services industry. We welcome Rudolf to the Board and look forward to his contribution to the Company.

COMPANY OUTLOOK

Management believes that a solid foundation has been laid and that the Company has the ability to add further assets over the coming year, leveraging off the strong pipeline of opportunities in place.

The Company remains focused on providing an attractive distribution yield through active asset management and disciplined acquisitions. All assets held are fully income producing and with debt in place at attractive rates (approximately 75% of which is fixed), the Company is well positioned to achieve a growth in the annual distribution for 2016/17. Based on the current leases, the existing debt structure, including the portion of interest that has been fixed, the Company is targeting an 8.5 GBP pence per share distribution for 2016/17 which would represent a 21% increase on the 2015/16 level. This forecast has not been reviewed or reported on by the Company's auditors.

ASSESSMENT AS AN INVESTMENT ENTITY

IFRS 10 grants companies, classified as an Investment entity, an exemption not to consolidate subsidiaries and instead to measure them at fair value through profit and loss. Due to the nature of the initial transaction in the prior year, the Board of directors classified the Company as an investment entity. During the current year, the Board of directors, have determined that this classification is no longer appropriate. The Group no longer primarily measures and evaluates the performance of substantially all of its investments on a fair value basis in the consolidated financial statements. Instead, investors and management are provided with information about rental returns and fair values of investment properties. The change in classification has had no impact on prior year reporting, with comparative figures unchanged. Consolidation of the group companies will reflect the financial position of the Group more accurately by providing additional and more relevant real estate information for the investors.

OVERVIEW OF THE BUSINESS

Atlantic Leaf is a Mauritian registered company, regulated by the Mauritius Financial Services Commission and holds a Category One Global Business Licence. The primary objective of the Company is to provide investors with consistent income and growth by investing in quality real estate assets which generate appropriate income yields and have potential of capital appreciation. The Company has a primary listing on the SEM and a secondary listing on the ALX of the JSE.

By order of the Board

Intercontinental Trust Limited

Company Secretary
12 April 2016

STATEMENT OF FINANCIAL POSITION

	Group Audited as at 28 Feb 2016 GBP	Company Audited as at 28 Feb 2016 GBP	Group and Company Audited as at 28 Feb 2015 GBP
ASSETS			
Non-current assets	208 797 385	131 293 301	26 255 997
Investment properties	195 349 116	-	-
Interest in subsidiaries	-	117 845 032	10 972 604
Listed investments	672 386	672 386	1 234 919
Loan receivable	6 775 883	6 775 883	1 790 319
Loans to subsidiaries	-	-	1 444 688
Deposit paid for acquisition of properties	6 000 000	6 000 000	10 813 467
Current assets	8 475 333	6 850 625	10 007 685
Trade and other receivables	2 252 041	1 896 899	321 134
Cash and cash equivalents	6 223 292	4 953 726	9 686 551
Total assets	217 272 718	138 143 926	36 263 682
Equity and liabilities			
Equity	136 029 957	137 813 522	36 134 679
Share capital	132 854 283	132 854 283	34 770 873
Cash flow hedge reserve	(1 783 633)	-	-
Retained earnings	4 959 307	4 959 239	1 363 806
Liabilities			
Non-current liabilities	74 096 765	-	-
Long-term borrowings	74 096 765	-	-
Current liabilities	7 145 996	330 404	129 003
Trade and other payables	3 762 654	330 404	129 003
Current portion of long-term borrowings	1 237 500	-	-
Tax payable	297 318	-	-
Derivative financial instruments	1 848 524	-	-
Total equity and liabilities	217 272 718	138 143 926	36 263 682
Number of shares in issue	123 407 090	123 407 090	33 941 306
Net asset value per share	1.10	1.12	1.06
Net asset value per share ex cash flow hedge reserve	1.12	1.12	1.06

STATEMENT OF COMPREHENSIVE INCOME

	Group Audited Year ended 28 Feb 2016 GBP	Company Audited Year ended 28 Feb 2016 GBP	Group and Company Audited Year ended 28 Feb 2015 GBP
Rental revenue	8 489 734	-	-
Straight-line lease income adjustment	683 562	-	-
Revenue	9 173 296	-	-
Property operating expenses	(513 091)	-	-
Net property income	8 660 205	-	-
Other operating expenditure	(2 018 193)	(1 665 268)	(491 440)
Net property income/(loss)	6 642 012	(1 665 268)	(491 440)
Investment income	222 696	217 014	55 107
Profit on disposal of listed investments	73 368	73 368	-
(Loss)/profit on foreign exchange	(216 072)	(216 072)	118 150
Fair value adjustments	1 769 464	7 040 047	1 691 031
Finance costs	(2 527 994)	-	-
Profit before taxation	5 963 474	5 449 089	1 372 848
Taxation	(520 842)	(6 525)	(9 042)
Profit for the year	5 442 632	5 442 564	1 363 806

STATEMENT OF COMPREHENSIVE INCOME (continued)

	Group Audited Year ended 28 Feb 2016 GBP	Company Audited Year ended 28 Feb 2016 GBP	Group and Company Audited Year ended 28 Feb 2015 GBP
Profit for the year	5 442 632	5 442 564	1 363 806
Fair value movement on cash flow hedge	(1 783 633)	-	-
Total comprehensive income for the year	3 658 999	5 442 564	1 363 806
<i>Add back:</i>			
Fair value movement on cash flow hedge	(1 783 633)	-	-
Basic earnings	5 442 632	5 442 564	1 363 806
<i>Less:</i>			
Fair value adjustments to investment properties	(1 531 434)	-	(1 691 031)
Gain on bargain purchase	(42 500)	-	-
Headline earnings	3 868 698	5 442 564	(327 225)
<i>Add back:</i>			
Fair value adjustments to investment properties	1 531 434	-	1 691 031
Gain on bargain purchase	42 500	-	-
<i>Adjusted for once off costs</i>			
Listing and advisory fees	-	-	47 722
Transaction costs	1 011 871	-	140 151
Foreign exchange loss on equity raised	253 113	-	16 392
Adjusted headline earnings	6 707 616	5 442 564	1 568 071
Weighted average number of shares in issue	62 491 061	-	-
Basic and diluted earnings per share (GBP pence)	8.71	-	-
Basic and diluted headline earnings per share (GBP pence)	6.19	-	-
Adjusted headline earnings per share (GBP pence)	10.73	-	-
Interim dividend per share (GBP pence)	3.0	-	-
Final dividend per share (GBP pence)	4.0	-	-
Total dividend per share (GBP pence)	7.0	-	-

STATEMENT OF CHANGES IN EQUITY - Group

	Stated capital GBP	Retained earnings GBP	Cash flow hedge reserve GBP	Total GBP
Balance at 1 March 2014	1 000	-	-	1 000
Total comprehensive income for the year				
Profit for the year	-	1 363 806	-	1 363 806
Issue of shares (net of transaction costs)	34 769 873	-	-	34 769 873
Balance at 28 February 2015	34 770 873	1 363 806	-	36 134 679
Total comprehensive income for the year				
Profit for the year	-	5 442 632	-	5 442 632
Issue of shares (net of transaction costs)	98 083 410	-	-	98 083 410
Dividends	-	(1 847 131)	-	(1 847 131)
Other comprehensive income	-	-	(1 783 633)	(1 783 633)
Balance at 28 February 2016	132 854 283	4 959 307	(1 783 633)	136 029 957

STATEMENT OF CHANGES IN EQUITY - Company

	Stated capital GBP	Retained earnings GBP	Reserves GBP	Total GBP
Balance at 1 March 2014	1 000	-	-	1 000
Total comprehensive income for the year				
Profit for the year	-	1 363 806	-	1 363 806
Issue of shares (net of transaction costs)	34 769 873	-	-	34 769 873
Balance at 28 February 2015	34 770 873	1 363 806	-	36 134 679
Issue of shares (net of transaction costs)	98 083 410	-	-	98 083 410
Profit for the year	-	5 442 564	-	5 442 564
Dividends	-	(1 847 131)	-	(1 847 131)
Balance at 28 February 2016	132 854 283	4 959 239	-	137 813 522

STATEMENT OF CASH FLOWS

	Group Audited Year ended 28 Feb 2016 GBP	Company Audited Year ended 28 Feb 2016 GBP	Group and Company Audited Year ended 28 Feb 2015 GBP
Net cash from operating activities	(130 624)	(2 905 113)	(671 015)
Net cash utilised in investing activities	(100 692 277)	(97 847 919)	(24 531 457)
Net cash generated by financing activities	97 575 714	96 236 279	34 769 873
(Decrease)/increase in cash and cash equivalents	(3 247 187)	(4 516 753)	9 567 401
Cash and cash equivalents at beginning of the year	9 686 551	9 686 551	1 000
Effects of exchange difference on cash and cash equivalents	(216 072)	(216 072)	118 150
Cash and cash equivalents at end of year	6 223 292	4 953 726	9 686 551

POST-BALANCE SHEET EVENTS

On 17 March 2016, the Company concluded the purchase of four additional properties for an aggregate purchase consideration of £65 million.

Location	Tenant	Purchase price (£m)
St. Helens	Palmer & Harvey McLane Limited	10.8
Nuneaton	Booker Limited	10.3
Redditch	Halfords Limited	28.8
Coventry	E.ON UK Plc	15.1
		65.0

The purchase price was financed through bank funding, the existing deposit and cash resources. A *pro forma* balance sheet, reflecting the indicative balance sheet of the Company as if the acquisition had taken place on 28 February 2016 is provided below. The *pro forma* balance sheet is for illustrative purposes only and has not been reviewed or commented on by the Company's auditors.

	<i>Pro forma</i> 28 Feb 2016 GBP
ASSETS	
Non-current assets	271 066 950
Investment properties	263 618 681
Other non-current assets	7 448 269
Current assets	5 533 860
Total assets	276 600 810
Equity and liabilities	136 029 957
Liabilities	
Long-term borrowings	133 424 857
Current liabilities	7 145 996
Total equity and liabilities	276 600 810

NOTES

The Company is required to publish financial results for the year ended 28 February 2016 in terms of the Listing Rule 12.14 of the SEM. The abridged audited financial statements for the year ended 28 February 2016 ("financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the SEM Listing Rules and the Securities Act of Mauritius 2005 and the JSE Listings Requirements.

Other than the change in classification of Atlantic Leaf Properties Limited as an investment entity, the accounting policies adopted in the preparation of these financial statements are consistent with those applied in the preparation of the audited financial statements for the year ended 28 February 2015.

These abridged audited financial statements were approved by the Board on 11 April 2016. Mazars Mauritius have issued their unmodified audit opinion on the Company's financial statements for the year ended 28 February 2016. These summarised audited financial statements have been derived from the Company's financial statements and are consistent with the audited financial statements subsequently issued to shareholders.

Copies of the audited financial statements, the audit opinion and the statement of direct and indirect interests of each officer of the Company, pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at the Registered Office of the Company at Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius. Contact person: Mr Kesaven Moothoosamy.

This communication is issued pursuant to SEM Listing Rules 11.3 and 12.14 and section 88 of the Securities Act of Mauritius 2005. The Board accepts full responsibility for the accuracy of the information contained in these financial statements. The directors have disclosed all matters or circumstances arising subsequent to the year ended 28 February 2016 that require any additional disclosure or adjustment to the financial statements.

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