

DIRECTORS' COMMENTARY

Atlantic Leaf presents its results for the quarter ended 31 May 2016.

The first quarter results are in line with management forecasts. All acquisitions announced last year have now been completed, are performing well and are reflected in the results for the quarter. Our total assets currently stand at £274 million up from £49 million a year ago. We continue to search for investment opportunities that meet our investment criteria. Whilst the UK market is challenging given the volatility being experienced post the Brexit vote, once the market has settled this could prove to provide good opportunities.

The company's gearing remains conservative at 50% loan to value and its lease profile and quality of the tenants, positions the company well to deal with the current market volatility.

On 16 May 2016, Atlantic Leaf paid a final dividend of 4 pence per share for the year ended 28 February 2016, which resulted in a full year dividend of 7 pence per share. The option to receive a scrip dividend resulted in the issuing of an additional 451 938 new Atlantic Leaf shares at £1.08 per share.

The company's intention is to migrate its listing to the main board of the JSE and the company will advise shareholders in due course of the progress and dates.

The company is confident of meeting the full year forecast of an 8.5 pence dividend per share.

COMPARATIVE NUMBERS

In order to provide a meaningful comparison of the results for the quarter the results for the prior year have been revised to include the consolidation of the company with its subsidiaries. The revision of the prior year has no impact on the previously disclosed net profit for the quarter and is the result of a change in the basis of accounting for the subsidiaries in question which are now wholly owned and no longer accounted for as investments. This change in the basis of accounting was dealt with in the Company's 2016 Integrated Annual Report.

OVERVIEW OF THE BUSINESS

Atlantic Leaf is a Mauritius 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 Stock Exchange of Mauritius Ltd ("SEM") and a secondary listing on the AltX of the Johannesburg Stock Exchange Limited ("JSE").

By order of the Board

Intercontinental Trust Limited
Company Secretary

12 July 2016

STATEMENT OF FINANCIAL POSITION

	Group Unaudited as at 31-May-2016 GBP	Group Unaudited as at 31-May-2015 GBP	Group Unaudited as at 28-Feb-16 GBP
ASSETS			
Non-current assets	270 947 309	38 650 640	208 797 385
Investment properties	263 593 222	35 638 335	195 349 116
Listed investments	731 461	1 204 452	672 386
Loan receivable	6 662 626	1 807 853	6 775 883
Deposit paid for acquisition of properties	-	-	6 000 000
Current assets	2 976 250	10 231 595	8 475 333
Trade and other receivables	506 106	401 916	2 252 041
Cash and cash equivalents	2 470 144	9 826 679	6 223 292
Total assets	273 923 559	48 882 235	217 272 718
EQUITY AND LIABILITIES			
Equity	134 122 949	36 592 670	136 029 957
Share capital	132 944 725	34 770 873	132 854 283
Cash flow hedge reserve	(1 315 391)	-	(1 783 633)
Retained earnings	2 493 615	1 821 797	4 959 307
LIABILITIES			
Non-current liabilities	128 200 190	11 639 750	74 096 765
Long-term borrowings	128 200 190	11 639 750	74 096 765
Current liabilities	11 600 420	649 815	7 145 996
Trade and other payables	3 523 427	648 723	3 762 654
Current portion of long-term borrowings	6 385 000	-	1 237 500
Tax payable	289 701	1 092	297 318
Derivative financial instruments	1 402 292	-	1 848 524
Total equity and liabilities	273 923 559	48 882 235	217 272 718
Number of shares in issue	123 430 876	33 941 306	123 407 090
Net asset value per share (GBP)	1.09	1.08	1.10
Net asset value per share excluding cash flow hedge reserve	1.10	1.08	1.12

STATEMENT OF CASH FLOWS

	Group Unaudited Quarter ended 31-May-2016 GBP	Group Unaudited Quarter ended 31-May-2015 GBP	Group Audited Year ended 28-Feb-2016 GBP
Net cash from operating activities	6 544 177	233 712	(130 627)
Net cash utilised in investing activities	(69 611 303)	29 471	(100 692 274)
Net cash generated by financing activities	59 267 829	(120 250)	97 575 714
(Decrease)/increase in cash and cash equivalents	(3 799 357)	142 933	(3 247 187)
Cash and cash equivalents at beginning of the year	6 223 292	9 686 551	9 686 551
Effects of exchange difference on cash and cash equivalents	46 209	195	(216 072)
Cash and cash equivalents at end of year	2 470 144	9 829 679	6 223 292

STATEMENT OF COMPREHENSIVE INCOME

	Group Unaudited Quarter ended 31-May-2016 GBP	Group Unaudited Quarter ended 31-May-2015 GBP	Group Audited Year ended 28-Feb-2016 GBP
Rental revenue	4 813 626	1 014 148	8 489 734
Straight-line lease income adjustment	268 193	-	683 562
Revenue	5 081 818	1 014 148	9 173 296
Property operating expenses	(541 793)	(165 586)	(1 117 640)
Net property income	4 540 025	848 562	8 055 656
Fund level costs	(544 997)	(29 690)	(1 413 644)
	3 995 028	818 872	6 642 012
Other income	1 355	-	65
Investment income	84 673	18 090	222 631
Profit on disposal of listed investments	-	-	73 368
(Loss)/profit on foreign exchange	46 209	195	(216 072)
Fair value adjustments	(209 117)	121 012	1 769 464
Profit/(loss) before finance costs	3 918 149	958 169	8 491 468
Net finance charges	(1 052 470)	(435 816)	(2 527 994)
Profit/(loss) before taxation	2 865 678	522 353	5 963 474
Taxation	(395 092)	(64 362)	(520 842)
Profit for the year	2 470 587	457 991	5 442 632
Fair value movement on cash flow hedge	468 242	-	(1 783 633)
Total comprehensive income for the year	2 938 829	457 991	3 658 999
<i>Add back:</i>			
Fair value movement on cash flow hedge	(468 242)	-	(1 783 633)
Basic earnings	2 470 587	457 991	5 442 632
<i>Less:</i>			
Fair value adjustments to investment properties	268 193	-	(1 531 434)
Gain on bargain purchase	-	-	(42 500)
Headline earnings	2 738 780	457 991	3 868 698
<i>Add back:</i>			
Fair value adjustments to investment properties	(268 193)	-	1 531 434
Gain on bargain purchase	-	-	42 500
Adjusted for once-off costs			
Transaction costs	414 489	139 930	1 011 871
Foreign exchange loss on equity raised	-	-	253 113
Adjusted headline earnings	2 885 076	597 921	6 707 616
Weighted average number of shares in issue	123 489 825	33 941 306	62 491 061
Basic and diluted earnings per share (GBP pence)	2.00	1.35	8.71
Basic and diluted headline earnings per share (GBP pence)	2.22	1.35	6.19
Adjusted headline earnings per share (GBP pence)	2.34	1.76	10.73
Interim dividend per share (GBP pence)	-	-	3
Final dividend per share (GBP pence)	-	-	4
Total dividend per share (GBP pence)			7

STATEMENT OF CHANGES IN EQUITY

	Stated capital GBP	Retained earnings GBP	Reserves GBP	Total GBP
Balance at 1 March 2015	34 770 873	1 363 806	-	36 134 679
Total comprehensive income for the year	-	5 442 632	(1 783 633)	3 658 999
Dividends	-	(1 847 131)	-	(1 847 131)
Issue of shares (net of transaction costs)	98 083 410	-	-	98 083 410
Balance at 28 February 2016	132 854 283	4 959 307	(1 783 633)	136 029 957
Total comprehensive income for the period	-	2 470 587	468 242	2 938 829
Dividends	-	(4 936 279)	-	(4 936 279)
Issue of shares (net of transaction costs)	90 442	-	-	90 442
Balance at 31 May 2016	132 944 725	2 493 615	(1 315 391)	134 122 949

NOTES

The Company is required to publish financial results for the three months ended 31 May 2016 in terms of Listing Rule 12.19 of the SEM. The abridged unaudited financial statements for the three months ended 31 May 2016 ("financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the requirements of IAS 34: Interim Financial Reporting, the SEM Listing Rules and the Securities Act of Mauritius 2005.

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 2016.

These financial statements were approved by the Board on 11 July 2016. The financial statements have not been reviewed or reported on by the Company's external auditors.

Copies of the abridged unaudited financial statements 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 of Mauritius, 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 communique is issued pursuant to SEM Listing Rules 11.3 and 12.20 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 and this announcement. The Directors have disclosed all matters or circumstances arising subsequent to the period ended 31 May 2016 that require any additional disclosure or adjustment to the financial statements.

South African JSE sponsor	
Java Capital	+27 11 722 3050
South African corporate advisor	
Leaf Capital	+27 21 657 1180
Corporate secretary	
Intercontinental Trust Limited	+230 403 0800