

**Atlantic Leaf Properties Limited**  
(Incorporated in the Republic of Mauritius)  
(Registration number: 119492 CI/GBL)  
SEM share code: "ALPL.N0000"  
JSE share code: "ALP"  
ISIN: "MU0422N00009"  
www.atlanticleaf.mu  
("Atlantic Leaf" or "the Company")

### DIRECTORS' COMMENTARY

Atlantic Leaf is pleased to present its results for the three and nine months ended 30 November 2016.

The third quarter results are consistent with achieving our full year distribution of 8.5 GBP pence per share. All our assets are performing well which is reflected in the growth in our total income for the quarter.

### Earnings and NAV

The weighted average adjusted headline earnings per share for the quarter is 2.22 GBP pence (2015: 1.93 GBP pence), which equates to an annualised yield on the clean Net Asset Value Per Share ("NAVPS") of 8.26%. The decline in NAV from the year-end is a result of the distribution to shareholders made after year-end.

### Capital Raise

The Company completed a successful capital raise on 9 November 2016 raising GBP 19.9 million. These funds have largely been deployed into the acquisition detailed below with the balance being held for future acquisitions.

### Portfolio

Atlantic Leaf's portfolio consists of quality assets in key regions in the United Kingdom ("UK"), each of which have long-term, single-tenant leases with blue chip tenants.

During the quarter, Atlantic Leaf completed the purchase of a distribution warehouse in Runcorn, United Kingdom for a total consideration of GBP 27.4 million (pre-transaction related costs). The property is fully let to DHL Supply Chain Limited, a wholly-owned subsidiary of the Frankfurt Stock Exchange listed, Deutsche Post DHL Group with a remaining lease term of 8.2 years. Further details of the acquisition can be found in the announcement released on 21 October 2016. The property was purchased at a net initial yield of 6.2%.

Atlantic Leaf also concluded the disposal of its industrial warehouse in Wombourne, United Kingdom for a total consideration of GBP 11.3 million. The disposal resulted in an exit IRR of over 30% (after all transaction related costs) on the initial equity investment. Management believes that the disposal highlights the continued resilience of the UK property market in a challenging economic environment post the British European Union referendum vote. For more details, refer to the announcement released on 25 October 2016.

Subsequent to the purchase and sale during the quarter, total property assets at quarter-end stood at GBP 283 million (2015: GBP 155 million) across 47 properties, with an average asset yield of 7.16% and a weighted average unexpired lease term of approximately 11.8 years. We continue to search for investment opportunities that will strengthen and diversify our asset base.

### Gearing

The Group's gearing remains conservative at 51% loan to value with 76% of the debt hedged.

### Migration to the Main Board of the JSE

Atlantic Leaf transferred its listing from the Alternative Exchange to the Main Board of the Johannesburg Stock Exchange ("JSE") with effect from Monday, 7 November 2016. The transfer did not affect the Company's current listing on the Stock Exchange of Mauritius Ltd ("SEM"). Following the transfer, the Company is listed in the "Real Estate - Real Estate Holdings and Development" sector of the Main Board of the JSE.

### COMPANY OUTLOOK

The Company provides an attractive distribution through active asset management of its portfolio and well considered acquisitions. The last quarter has focused on executing the recently announced transactions as well as the move of the JSE listing to the Main Board of the JSE.

Basic earnings per share of 7.17 GBP pence for the 9 months, which includes the profit on sale of the Wombourne asset totalling GBP 1,062,299 is 22% higher than the comparative period and is reflective of the growth the Company has achieved over the last year. The Company is well positioned to achieve the full year forecast of an 8.5 GBP pence dividend per share which would represent a 21% increase on the 2015/16 level. Given the increase in market activity we anticipate concluding further acquisitions in the next few months to fully deploy our capital base.

### 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. To ensure consistency with the industry standard of other property funds in the market, the prior year adjusted headline earnings per share numbers for the 12 months ended 28 February 2016 and the 9 months ended 30 November 2015 have been adjusted and this revised methodology will be used going forward. There was no impact on prior year earnings or basic earnings per share. Further details on the revision will be provided in the audited annual financial statements for the year end 28 February 2017.

By order of the Board

**Intercontinental Trust Limited**  
Company Secretary  
12 January 2017

### STATEMENT OF FINANCIAL POSITION

	Group Unaudited as at 30 Nov 2016 GBP	Group Unaudited as at 30 Nov 2015 GBP	Group Audited as at 28 Feb 16 GBP
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>284 423 420</b>	<b>160 866 031</b>	<b>208 797 385</b>
Investment properties	282 780 628	155 377 398	195 349 116
Listed investments	633 057	1 206 118	672 386
Loan receivable	1 009 735	4 325 015	6 775 883
Goodwill	–	(42 500)	–
Deposit paid for acquisition of properties	–	–	6 000 000
<b>Current assets</b>	<b>23 209 371</b>	<b>5 560 627</b>	<b>8 475 333</b>
Trade and other receivables	1 991 968	1 237 920	2 252 041
Cash and cash equivalents	21 217 403	4 322 707	6 223 292
<b>Total assets</b>	<b>307 632 791</b>	<b>166 426 658</b>	<b>217 272 718</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>154 983 173</b>	<b>86 164 252</b>	<b>136 029 957</b>
Share capital	152 786 592	83 435 261	132 854 283
Cash flow hedge reserve	(1 616 733)	–	(1 783 633)
Retained earnings	3 813 314	2 728 991	4 959 307
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>	<b>138 677 539</b>	<b>73 920 308</b>	<b>75 945 289</b>
Long-term borrowings	136 948 678	73 920 308	74 096 765
Derivative financial instruments	1 728 861	–	1 848 524
<b>Current liabilities</b>	<b>13 972 079</b>	<b>6 342 098</b>	<b>5 297 472</b>
Trade and other payables	5 838 880	4 786 441	3 762 654
Current portion of long-term borrowings	6 922 000	1 075 000	1 237 500
Tax payable	1 211 199	480 657	297 318
<b>Total equity and liabilities</b>	<b>307 632 791</b>	<b>166 426 658</b>	<b>217 272 718</b>
Number of shares in issue	142 671 209	78 806 785	123 407 090
Net asset value per share (GBP)	1.09	1.09	1.10
Net asset value per share excluding cash flow hedge reserve	1.10	1.09	1.12

### STATEMENT OF CHANGES IN EQUITY

	Stated Capital GBP	Retained earnings GBP	Cash flow hedge reserve GBP	Total GBP
<b>Balance at 1 March 2015</b>	<b>34 770 873</b>	<b>1 363 806</b>	<b>–</b>	<b>36 134 679</b>
Profit for the period	–	3 212 316	–	3 212 316
Dividends	–	(1 847 131)	–	(1 847 131)
Issue of shares (net of transaction costs)	48 664 388	–	–	48 664 388
Other comprehensive income	–	–	–	–
<b>Balance at 30 November 2015</b>	<b>83 435 261</b>	<b>2 728 991</b>	<b>–</b>	<b>86 164 252</b>
Profit for the period	–	2 230 316	–	2 230 316
Dividends	–	–	–	–
Issue of shares (net of transaction costs)	49 419 022	–	–	49 419 022
Other comprehensive income	–	–	(1 783 633)	(1 783 633)
<b>Balance at 28 February 2016</b>	<b>132 854 283</b>	<b>4 959 307</b>	<b>(1 783 633)</b>	<b>136 029 957</b>
Profit for the period	–	8 993 364	–	8 993 364
Dividends	–	(10 139 357)	–	(10 139 357)
Issue of shares (net of transaction costs)	19 932 309	–	–	19 932 309
Other comprehensive income	–	–	166 900	166 900
<b>Balance at 30 November 2016</b>	<b>152 786 592</b>	<b>3 813 314</b>	<b>(1 616 733)</b>	<b>154 983 173</b>

### STATEMENT OF COMPREHENSIVE INCOME

	Group Unaudited three months ended 30 Nov 2016 GBP	Group Unaudited nine months ended 30 Nov 2015 GBP	Group Unaudited three months ended 30 Nov 2015 GBP	Group Unaudited nine months ended 30 Nov 2015 GBP	Group Audited year ended 28 Feb 2016 GBP
Rental revenue	5 005 240	14 690 683	2 799 704	5 179 934	8 489 734
Straight-line lease income adjustment	323 377	970 132	–	–	683 562
<b>Revenue</b>	<b>5 328 617</b>	<b>15 660 815</b>	<b>2 799 704</b>	<b>5 179 934</b>	<b>9 173 296</b>
Property operating expenses	(224 474)	(659 915)	(193 876)	(328 038)	(513 091)
<b>Net property income</b>	<b>5 104 143</b>	<b>15 000 900</b>	<b>2 605 828</b>	<b>4 851 896</b>	<b>8 660 205</b>
Fund level costs	(118 068)	(1 492 272)	(268 863)	(616 174)	(2 018 193)
<b>Net property income after fund level costs</b>	<b>4 986 075</b>	<b>13 508 628</b>	<b>2 336 965</b>	<b>4 235 722</b>	<b>6 642 012</b>
Other income	74	1 429	2 667	31 487	65
Investment income	21 442	181 783	–	–	222 631
Profit/(loss) on disposal of investments	1 062 299	1 062 299	–	–	73 368
(Loss)/profit on foreign exchange	195 526	250 314	10 575	(513 584)	(216 072)
Fair value adjustments	(961 608)	(1 577 390)	27 723	1 469 635	1 769 464
<b>Profit/(loss) before finance costs</b>	<b>5 303 808</b>	<b>13 427 107</b>	<b>2 377 930</b>	<b>5 223 260</b>	<b>8 491 468</b>
Net finance charges	(1 136 836)	(3 309 719)	(774 745)	(1 666 485)	(2 527 994)
<b>Profit/(loss) before taxation</b>	<b>4 166 972</b>	<b>10 117 388</b>	<b>1 603 185</b>	<b>3 556 775</b>	<b>5 963 474</b>
Taxation	(420 842)	(1 124 026)	(191 133)	(344 460)	(520 842)
<b>Profit for the year</b>	<b>3 746 130</b>	<b>8 993 362</b>	<b>1 412 052</b>	<b>3 212 315</b>	<b>5 442 632</b>
Fair value movement on cash flow hedge	1 315 860	166 900	–	368 667	(1 783 633)
<b>Total comprehensive income for the year</b>	<b>5 061 990</b>	<b>9 160 262</b>	<b>1 412 052</b>	<b>3 580 982</b>	<b>3 658 999</b>
Fair value movement on cash flow hedge	(1 315 860)	(166 900)	–	(368 667)	1 783 633
<b>Basic earnings</b>	<b>3 746 130</b>	<b>8 993 362</b>	<b>1 412 052</b>	<b>3 212 315</b>	<b>5 442 632</b>
<i>Adjusted for:</i>					
Fair value adjustments to investment properties	727 650	1 374 405	–	(1 056 871)	(1 531 434)
Profit on disposal of investments	(1 062 299)	(1 062 299)	–	–	–
Gain on bargain purchase	–	–	–	–	(42 500)
<b>Headline earnings</b>	<b>3 411 481</b>	<b>9 305 468</b>	<b>1 412 052</b>	<b>2 155 444</b>	<b>3 868 698</b>
<i>Adjusted for:</i>					
Straight-line lease adjustment	(323 377)	(970 132)	–	–	(683 562)
Gain on bargain purchase	–	–	–	–	42 500
Transaction costs	(406 030)	–	–	–	1 011 871
Fair value loss on cash flow hedges transferred to the income statement	163 658	163 658	–	–	–
Foreign exchange loss on equity raised	–	–	–	578 540	253 113
<b>Adjusted headline earnings</b>	<b>2 845 732</b>	<b>8 498 994</b>	<b>1 412 052</b>	<b>2 733 984</b>	<b>4 492 620</b>
Weighted average number of shares in issue	128 425 063	125 413 564	73 124 673	54 744 237	62 491 061
Basic and diluted earnings per share (GBP pence)	2.92	7.17	1.93	5.87	8.71
Basic and diluted headline earnings per share (GBP pence)	2.66	7.42	1.93	3.94*	6.19
Adjusted headline earnings per share (GBP pence)	2.22	6.78	1.93	4.99*	7.19*
Interim dividend per share (GBP pence)	–	4.20	3.00	3.00	3.00
Final dividend per share (GBP pence)	–	–	–	–	4.00
<b>Total dividend per share (GBP pence)</b>	<b>–</b>	<b>4.20</b>	<b>3.00</b>	<b>3.00</b>	<b>7.00</b>

\*Restated, refer to comparative numbers note

### STATEMENT OF CASH FLOWS

	Group Unaudited nine months ended 30 Nov 2016 GBP	Group Unaudited nine months ended 30 Nov 2015 GBP	Group Audited year ended 28 Feb 2016 GBP
Net cash from operating activities	9 804 348	542 782	(130 627)
Net cash utilised in investing activities	(88 798 709)	(55 057 365)	(100 692 274)
Net cash generated by financing activities	93 738 158	49 664 323	97 575 714
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>14 743 797</b>	<b>(4 850 260)</b>	<b>(3 247 187)</b>
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	250 314	(513 584)	(216 072)
<b>Cash and cash equivalents at end of the year</b>	<b>21 217 403</b>	<b>4 322 707</b>	<b>6 223 292</b>

### NOTES

The Company is required to publish financial results for the three and nine months ended 30 November 2016 in terms of Listing Rule 12.19 of the SEM. The abridged unaudited financial statements for the three and nine months ended 30 November 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 12 January 2017. 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 c/o Intercontinental Trust Limited, 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 30 November 2016 that require any additional disclosure or adjustment to the financial statements.

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