dipula
INCOME FUND
Sustainable Property Returns

INCREASE IN REVENUE
▲ **46%**
to R1.1 billion

PROPERTY PORTFOLIO VALUE INCREASED
▲ **27%**
to R7.1 billion

DISTRIBUTABLE EARNINGS
▲ **15,8%**
to R384.6 million

NET ASSET VALUE
▲ **12%**
R10,46 per share

A-SHARE DISTRIBUTION
▲ **5%**
to 96.47414 cents per share

B-SHARE DISTRIBUTION
▲ **11.5%**
to 89.49361 cents per share

COMBINED DISTRIBUTION FOR YEAR
▲ **8%**
to 185.96775 cents per share

REVIEWED PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 AUGUST 2016

COMMENTARY

Introduction

During the year ended 31 August 2016 ("the year"), Dipula continued to grow its portfolio and increased its distributions in a challenging market, with revenue exceeding the R1 billion mark for the first time. The portfolio value increased by 27% to over R7 billion, while distributable earnings were up 15,8% resulting in an 8% increase in distributions per share on a combined basis. Net asset value ("NAV") increased by 12% to R10,46 per share, an indication of a quality portfolio. This robust performance is attributable to active asset management, which ensures acquisitions, redevelopments and upgrades that are revenue as well as quality enhancing.

Profile

Dipula is a diversified REIT that owns a portfolio now valued at approximately R7.1 billion, comprising retail, office and industrial properties located across all provinces in South Africa. The majority are located in Gauteng. The Group has a level 2 B-BBEE rating.

Dipula trades under the codes DIA and DIB. DIA shares are entitled to a 5% preferred income growth while DIB shares receive the remaining net distributable income.

Distributable earnings

Distributable earnings increased by 15.8% to R384.6 million (2015: R332.3 million) translating into an 8% growth in distribution per share on the combined share (2015: 7.05%) which is at the upper-end of previous guidance provided.

The distribution attributable to A-shares increased by 5% year-on-year to 96.47414 cents per share (2015: 91.88014 cents) and is in line with the distribution policy to A-shareholders. The distribution attributable to B-shares is 89.49361 cents per share (2015: 80.29606 cents), which equates to an increase of 11.5% year-on-year.

Property portfolio

Dipula's property portfolio of 201 properties is now valued at R7.1 billion with a total gross lettable area of 807 100m² (2015: 177 properties; R5.6 billion value; 702 653m²).

During the year, properties valued at R1.2 billion transferred into the Fund, which included the Gillwell Taxi Retail Park mall as well as properties owned by Jarrabilla Investments Proprietary Limited and Lizinex Proprietary Limited, which are co-owned 80% by Dipula and 20% by the Moolman Group.

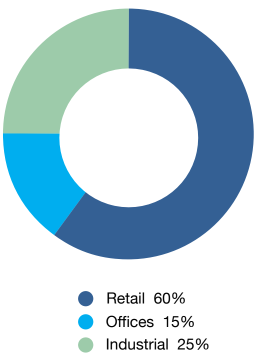
The NAV per combined share was R10,46 (2015: R9,34), an increase of 12% year-on-year, compared to a combined share price of R10,21 on 31 August 2016.

Cost-to-income ratios	August 2016	August 2015
Property cost to income (gross basis)	**34.2%**	34.5%
Property cost to income (net basis)	**16.9%**	19.8%
Total cost to income (net basis)	**20.8%**	24.2%

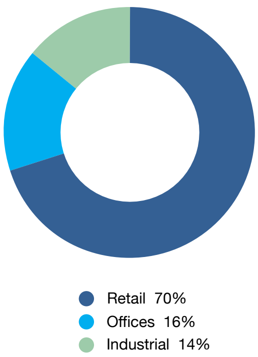
Dipula lease expiry profile

The segmental and geographic breakdown of Dipula's portfolio as at 31 August 2016 was as follows:

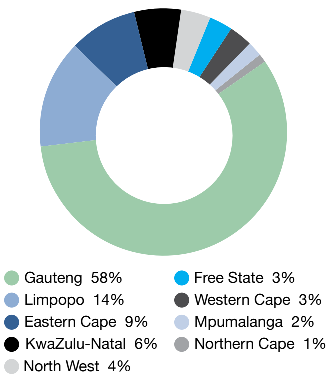
Sectoral profile by GLA (%)



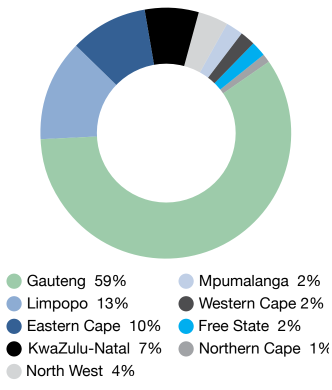
Sectoral profile by revenue (%)



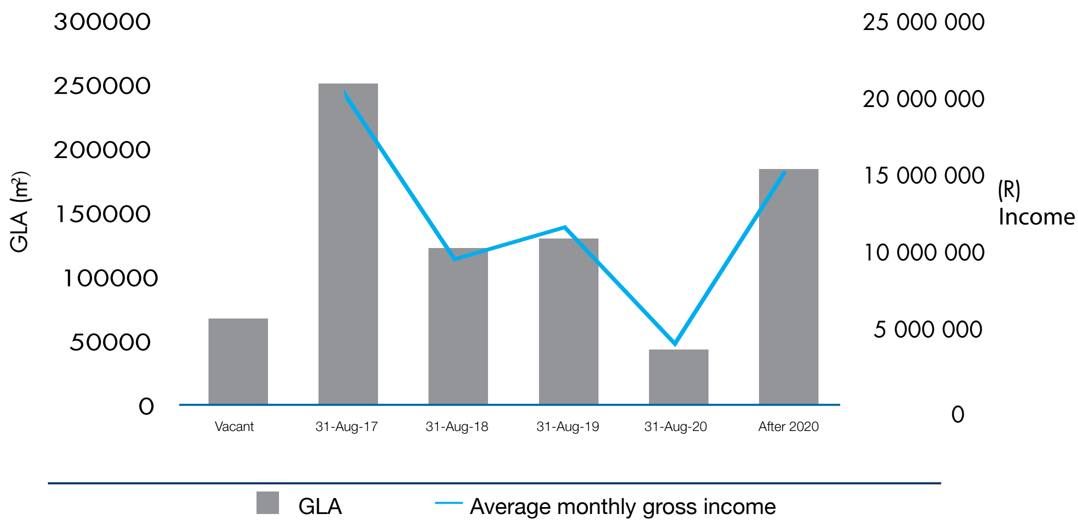
Geographic profile by GLA (%)



Geographic profile by revenue (%)



Dipula lease expiry profile



Vacancies

Due to challenging economic conditions, at year-end vacancies had increased to 8.5% compared to 8% in the prior year. Subsequent to year-end the vacancies reduced to 7.8%. The breakdown of vacancies by sector is set out below:

Retail 8.5% (2015: 8.2%), Offices 12.8% (2015: 8.3%), Industrial 5.9% (2015: 7.4%).

Disposals

Five properties were disposed of during the year for a total of R61.7 million in line with the group strategy of selling non-core assets. Properties held for sale amounted to R93.9 million.

Refurbishments and developments

The group is planning refurbishments and upgrades to the existing portfolio totalling R350 million over the next 18 months at an average yield of approximately 11%.

Completed refurbishments and developments during the year amounted to approximately R100 million.

Funding

At 31 August 2016, the group's all-in blended rate of debt was 8.93% (2015: 8.12%). The company has total debt facilities of R3.0 billion with R2.9 billion utilised to date. The aggregate length of borrowings is 2.5 years.

An aggregate of 60.8% of the debt has been fixed at year-end for an average period of 2.2 years. Subsequent to year-end further 3 year swaps were contracted into, improving the hedge to 70.7% of debt facilities.

Debt maturity and hedging profile

Financial year-end	Facility R'000	Facility %	Fixed/Swap R'000	Fixed/Swap %	Floating R'000	Floating %
2017	255 000	8.4	125 000	4.2	130 000	4.3
2018	1 174 905	38.9	906 122	30.0	268 782	8.9
2019	837 357	27.7	323 601	10.7	513 756	17.0
2020	407 156	13.5	481 250	15.9	(74 094)	(2.5)
2021	343 675	11.5	–	0.0	343 676	11.5
	3 018 093	**100**	**1 835 973**	**60.8**	**1 182 120**	**39.2**

COMMENTARY continued

Swap maturity profile

Maturity date	R'000	Nominal rate %
27 Oct 2017	70 000	6.95
01 Dec 2017	506 667	7.10
16 Jan 2018	85 000	6.47
29 Aug 2019	200 000	8.05
16 Jan 2020	21 250	6.78
04 Feb 2020	100 000	8.27
04 Jul 2020	360 000	7.85
	1 342 917	

Prospects

The board expects challenging economic conditions to continue in the short to medium term. Management will continue to focus on extracting the maximum value from the portfolio and improving the vacancy profile.

Reflecting the challenging environment, the board expects growth in distributions of between 6.0% and 7.0% for the year ending 31 August 2017. This growth assumes that stable macro-economic conditions prevail, no major corporate failures will occur and that tenants will be able to absorb rising utility costs and rates recoveries. Forecast rental income is based on contractual escalations and market-related renewals. This forecast has not been reviewed or reported on by the group's auditors.

Payment of final dividend

The board has approved and notice is hereby given of the final dividend (dividend number 11) for the period 1 March 2016 to 31 August 2016 of 48.23707 cents per A-share and 50.71217 cents per B-share.

Dipula shareholders will be offered an election, in respect of all or part of their shareholding, to re-invest the cash dividend of 48.23707 cents per A-share and 50.71217 per B-share in return for A-shares or B-shares, as the case may be (the "re-investment option"). By electing to participate in this re-investment option, shareholders will be able to increase their shareholding in Dipula without incurring dealing costs. In turn, Dipula will benefit from an increase in the amount of shareholders' funds available to support continued growth.

Further details regarding the re-investment option, including the manner in which the number of shares to which a participating shareholder is entitled will be determined and the action to be taken by A and B shareholders in order to participate in the re-investment option, will be set out in a circular to shareholders to be issued on or about 17 November 2016, and will also be released on SENS.

The dividend is payable to Dipula shareholders in accordance with the timetable set out below:

	2016
Last day to trade *cum* dividend	Tuesday, 6 December
Shares trade *ex* dividend	Wednesday, 7 December
Record date	Friday, 9 December
Payment date	Monday, 12 December

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 December 2016 and Friday, 9 December 2016 both days inclusive.

The dividend will be transferred to dematerialised shareholders CSDP accounts/broker accounts on Monday, 12 December 2016. Certificated shareholders' dividend payments will be paid to certificated shareholders' bank accounts on or about Monday, 12 December 2016.

An announcement relating to the tax treatment will be released separately on SENS.

On behalf of the board

Zanele Matlala
Chairperson

Izak Petersen
CEO

9 November 2016

Directors: ZJ Matlala* (Chairperson), IS Petersen (CEO), BH Azizollahoff*#, R Asmal (FD), NS Gumede, E Links*, Y Waja*, SA Halliday*
** Independent non-executive # British*
There were no changes to the board during this period.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

These results were prepared by the Financial Director, Mr R Asmal and the Group Financial Manager, Mr I Moosa CA(SA).

The reviewed provisional condensed consolidated financial results for the year ended 31 August 2016 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied are consistent with those applied in the previous years consolidated annual financial statements.

Reviewed results for the year ended 31 August 2016

The results for the year ended 31 August 2016 have been reviewed by Deloitte & Touche, and their unmodified review report is available for inspection at the Company's registered office. The auditor's review report does not necessarily report on all of the information contained in these provisional condensed financial results.

Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying financial information from the issuer's registered office. The directors take full responsibility for the preparation of these provisional condensed consolidated financial results and for ensuring that this financial information has been correctly extracted from the underlying financial information.

Subsequent events

The Group has evaluated events up to the issue date of these interim financial statements and determined that no subsequent event activity requires disclosure.

Basis of measurement

Given the nature of its business, Dipula uses distribution per share as its key performance measure as it is considered a more relevant performance measure than earnings or headline earnings per share.

Measurement of fair value

Investment property

On an annual basis, properties above R12 million (at the last valuation date) and one-third of properties below R12 million are valued by independent registered valuers.

The remaining two-thirds are valued internally by directors.

The properties are valued using either the discounted cash flow or capitalisation of net income methods by the internal and external valuers. The valuations are done on an open market basis with consideration given to the future earnings potential and applying an appropriate capitalisation rate to a property. The capitalisation rates used range between 7.75% and 12%. Investment properties held for sale were valued at the net sale price, which is considered to be the fair value.

Financial instruments

Financial instruments are measured at fair value including derivatives. The fair value of interest rate swaps is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

Hierarchy levels

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. The level within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The different levels have been defined as follows:

– Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

– Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;

– Level 3: Inputs for assets or liabilities that are not based on observable market data.

COMMENTARY continued

Investment properties and derivative financial instruments have been categorised as Level 3 and 2 respectively. There has been no material change between levels during the year.

For derivative financial instruments, the fair value of interest rate swaps is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for similar instruments at the reporting date.

Fair value measurements for investment properties categorised as Level 3:	**2016 R'000**
Balance at beginning of the year	5 511 350
Acquisitions/additions	1 269 259
Transferred to non-current assets held for sale	(104 395)
Tenant installation/lease commission	3 605
Change in fair value	284 124
Depreciation/transaction costs on disposals	(928)
Balance at end of the year	**6 963 015**

Valuation technique and significant unobservable inputs – investment property

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property taking into account expected rental and capitalisation rates. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of the property, its location and lease terms. Capitalisation model – establishes the market related rental income for the property and applies an appropriate capitalisation rate.	– Expected rental growth varies between 6% to 8% per annum. – Risk-adjusted discount rates varies between 14% and 16%. – Capitalisation rates vary between 7.75% to 12%.	The estimated fair value would increase/(decrease) if: – expected rentals were higher/(lower); and – risk-adjusted discount rates and capitalisation rates were lower/(higher).

The Group's Audit Committee determines the policies and procedures for recurring fair value measurement. In terms of the accounting policy, the portfolio is valued annually, with properties above R12 million being valued by independent registered valuers. One third of the properties below R12 million (at the last valuation date) are valued externally whilst the remaining two-thirds are valued internally by directors.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to market conditions and other relevant documents.

Business combinations and acquisition of non-controlling interest

Acquisition of interest in Jarabilla Investments (Pty) Ltd and Lizinex (Pty) Ltd referred to as the "Moolman transaction"

The effective date of the acquisition of the 80% interest in the Moolman transaction, both unlisted companies based in South Africa, was 1 August 2015.

The group acquired an interest in the above entities which owns 28 properties. This transaction was entered into as it would significantly enlarge Dipula's portfolio with quality assets. The group obtained control as a result of holding a majority of the voting rights including its right to variable returns from its involvement with the acquiree and the ability to effect these returns through its power over the acquiree.

This transaction is accounted for as a single business combination as the acquisitions were linked to each other.

Assets acquired and liabilities assumed	2016 R'000
The fair values of the identifiable assets and liabilities of the Moolman transaction as at the date of acquisition were:	
Assets	
Investment property (at fair value)	858 349
Liabilities	–
Total identifiable net assets at fair value	858 349
Non-controlling interest (20% of net assets)	(171 670)
Goodwill	–
Purchase consideration transferred	**686 679**

Transaction costs of R3.0 million were incurred on the acquisition and have been reflected in the statement of comprehensive income.

The purchase consideration was settled in cash and funded from a combination of equity raised (R209 million), new debt facilities (R436 million) and the balance from existing cash resources.

The fair value of the investment properties and the non-controlling interest has been calculated utilising the capitalisation rate method.

From the date of acquisition, the Moolman transaction contributed R99,6 million to contractual rent and recoveries of R26.7 million to net property income of the group.

Purchase consideration	R'000
Shares issued, at fair value	208 789
Cash paid	477 890
Total consideration	**686 679**

The group issued 9 166 454 A ordinary shares and 10 338 956 B ordinary shares as consideration for the 80% interest in both Jarrabilla Investments Proprietary Limited and Lizinex Proprietary Limited. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition which was R11,16 per A ordinary share and R10,30 per B ordinary share. The fair value of the consideration given was therefore R208 788 873.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Reviewed 31 August 2016 R'000	Audited 31 August 2015 R'000
ASSETS		
Non-current assets	**7 017 087**	5 562 466
Investment property	**6 963 015**	5 511 350
Fair value of property portfolio	**6 822 860**	5 413 107
Straight-line rental income accrual	**140 155**	98 243
Goodwill	**48 482**	48 482
Property, plant and equipment	**1 374**	1 231
Derivative financial assets	**4 216**	1 403
Current assets	**206 704**	161 234
Trade and other receivables	**147 972**	98 188
Cash and cash equivalents	**58 732**	63 046
Non-current assets held for sale		
Investment property held for sale	**93 850**	49 366
Total assets	**7 317 641**	5 773 066
EQUITY AND LIABILITIES		
Equity	**4 325 604**	3 603 971
Stated capital	**3 073 687**	2 799 016
Fair value reserve	**992 884**	705 947
Retained income	**127 843**	99 008
Non-controlling interest	**131 190**	–
Non-current liabilities	**2 631 664**	1 752 422
Interest-bearing liabilities	**2 631 664**	1 752 422
Current liabilities	**360 373**	416 673
Interest-bearing liabilities	**255 000**	288 822
Trade and other payables	**105 373**	127 851
Total equity and liabilities	**7 317 641**	5 773 066

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Reviewed 31 August 2016 R'000	Audited 31 August 2015 R'000
Revenue	**1 065 387**	729 109
Contractual rental income	**797 557**	578 550
Recoveries and other income	**225 918**	146 482
Straight-line rental income accrual	**41 912**	4 077
Property expenses	**(349 646)**	(250 216)
Net property income	**715 741**	478 893
Administration and corporate costs	**(32 013)**	(25 789)
Net operating profit	**683 728**	453 104
Net finance cost	**(242 002)**	(269 644)
Finance income	**8 540**	7 626
Finance cost	**(250 542)**	(149 456)
Debenture interest	**–**	(127 814)
Net profit after finance cost	**441 726**	183 460
Transaction costs on business combination	**(3 032)**	–
Fair value adjustments	**245 025**	207 391
Investment properties and held for sale	**284 124**	210 065
Straight-line rental income accrual	**(41 912)**	(4 077)
Interest rate swaps	**2 813**	1 403
Profit before taxation	**683 719**	390 851
Taxation	**–**	–
Profit for the year after taxation	**683 719**	390 851
Other comprehensive income	**–**	–
Total comprehensive income for the year attributable to equity holders	**683 719**	390 851
Total profit and comprehensive income for the year attributable to:		
Shareholders of the company	**666 049**	390 851
Non-controlling interests	**17 670**	–
	683 719	390 851
Earnings and diluted earnings per share		
A-share (cents)	**163.18**	144.69
B-share (cents)	**163.18**	144.69

RECONCILIATION BETWEEN PROFIT, EARNINGS AND HEADLINE EARNINGS

	Reviewed 31 August 2016 R'000	Audited 31 August 2015 R'000
Profit attributable to shareholders of the company	**666 049**	390 851
Debenture interest	**–**	127 814
Earnings	**666 049**	518 665
Adjustments:	**(242 212)**	(205 988)
Fair value – investment properties and held for sale	**(284 124)**	(210 065)
Fair value – straight-line rental income	**41 912**	4 077
Headline earnings	**423 837**	312 677
Weighted average number of A-shares in issue*	**203 078 454**	178 765 274
Weighted average number of B-shares in issue*	**205 098 372**	179 705 865
Basic earnings per A-share (cents)	**163.18**	144.69
Basic earnings per B-share (cents)	**163.18**	144.69
Headline earnings per A-share (cents)	**103.84**	87.23
Headline earnings per B-share (cents)	**103.84**	87.23
Distribution per A-share (cents)	**96.47414**	91.88014
Interim	**48.23707**	45.94007
Final	**48.23707**	45.94007
Distribution per B-share (cents)	**89.49361**	80.29606
Interim	**38.78144**	35.34590
Final	**50.71217**	44.95016
Combined share (cents)	**185.96775**	172.17620
Interim	**87.01851**	81.28597
Final	**98.94924**	90.89023
Number of A-shares in issue*	**206 827 963**	192 987 583
Number of B-shares in issue*	**206 827 963**	192 987 583
Net asset value per A-share (cents)	**1045.70**	933.73
Net asset value per B-share (cents)	**1045.70**	933.73
** Net of treasury shares*		
Loan to Value (LTV)	**40.1%**	35.6%

Basic and headline earnings per share are based on the weighted average number of shares in issue during the year. The company does not have any dilutionary instruments in issue.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Stated capital R'000	Fair value reserve R'000	Retained income/ (Accumulated loss) R'000	Non-controlling interest R'000	Total equity R'000
Balance at 31 August 2014 (Audited)	427 852	494 479	(80 375)	–	841 956
Total comprehensive income for the year	–	–	390 851	–	390 851
Capitalisation on cancellation of debentures	2 371 164	–	–	–	2 371 164
Transfer to fair value reserve – investment properties	–	210 065	(210 065)	–	–
Transfer to fair value reserve – interest rate swaps	–	1 403	(1 403)	–	–
Balance at 31 August 2015 (Audited)	2 799 016	705 947	99 008	–	3 603 971
Total comprehensive income for the year	–	–	666 049	17 670	683 719
Dividends declared	–	–	(350 277)	(14 692)	(364 969)
Issue of shares	274 671	–	–	–	274 671
Equity contributed by non-controlling shareholders	–	–	–	128 212	128 212
Transfer to fair value reserve – investment properties	–	284 124	(284 124)	–	–
Transfer to fair value reserve – interest rate swaps	–	2 813	(2 813)	–	–
Balance at 31 August 2016 (Reviewed)	**3 073 687**	**992 884**	**127 843**	**131 190**	**4 325 604**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Reviewed 31 August 2016 R'000	Audited 31 August 2015 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	**577 007**	460 952
Net finance cost	**(242 002)**	(141 830)
Distribution paid	**(364 969)**	(265 290)
Net cash (utilised in)/generated from operating activities	**(29 964)**	53 832
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment properties and capital expenditure	**(1 282 882)**	(1 251 073)
Acquisition of property, plant and equipment	**(474)**	(1 324)
Proceeds on disposal of investment properties	**60 703**	92 200
Contribution from non-controlling interest	**128 212**	-
Net cash utilised in investment activities	**(1 094 441)**	(1 160 197)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	**274 671**	692 669
Interest-bearing liabilities raised	**845 420**	444 724
Net cash generated from financing activities	**1 120 091**	1 137 393
Net (decrease)/increase in cash and cash equivalents	**(4 314)**	31 028
Cash and cash equivalents at the beginning of the year	**63 046**	32 018
Cash and cash equivalents at end of the year	**58 732**	63 046

CONDENSED CONSOLIDATED SEGMENTAL INFORMATION

	Retail R'000	Offices R'000	Industrial R'000	Land R'000	Total R'000
			YEAR TO 31 AUGUST 2016 (REVIEWED)		
Revenue from property portfolio[#]	**716 200**	**168 707**	**138 568**	**–**	**1 023 475**
Property expenses	**(246 010)**	**(62 455)**	**(41 167)**	**(14)**	**(349 646)**
Net property income	**470 190**	**106 252**	**97 401**	**(14)**	**673 829**
Investment property at fair value	**4 762 274**	**1 212 682**	**975 309**	**12 750**	**6 963 015**
Non-current assets held for sale	**31 250**	**26 500**	**34 700**	**1 400**	**93 850**
	4 793 524	**1 239 182**	**1 010 009**	**14 150**	**7 056 865**
			YEAR TO 31 AUGUST 2015 (AUDITED)		
Revenue from property portfolio[#]	443 486	194 581	86 965	–	725 032
Property expenses	(167 183)	(54 440)	(28 580)	(13)	(250 216)
Net property income	276 303	140 141	58 385	(13)	474 816
Investment property at fair value	3 411 227	1 190 703	896 670	12 750	5 511 350
Non-current assets held for sale	22 766	25 200	–	1 400	49 366
	3 433 993	1 215 903	896 670	14 150	5 560 716

[#] *Excluding straight-line rental income*

The entity has four reportable segments based on the sectoral nature – these are the entity's strategic business segments. For each strategic business segment, the entity's executive directors review internal management reports on a monthly basis.

Reconciliations of reportable segment revenues and profit.

	Total R'000
2016	
Revenues	
Total revenue for reportable segments	**1 023 475**
Straight-line rental income accrual	**41 912**
Consolidated revenue	**1 065 387**
Profit	
Total profit for reportable segments	**673 829**
Straight-line rental income accrual	**41 912**
Administration and corporate costs	**(32 013)**
Net finance cost	**(242 002)**
Transaction cost on business combination	**(3 032)**
Fair value adjustments	**245 025**
Profit before taxation	**683 719**
2015	
Revenues	
Total revenue for reportable segments	725 032
Straight-line rental income accrual	4 077
Consolidated revenue	**729 109**
Profit	
Total profit for reportable segments	474 816
Straight-line rental income accrual	4 077
Administration and corporate costs	(25 789)
Net finance cost	(269 644)
Fair value adjustments	207 391
Profit before taxation	**390 851**

DISTRIBUTABLE EARNINGS

	Reviewed 31 August 2016 R'000	Audited 31 August 2015 R'000
RECONCILIATION OF PROFIT TO DISTRIBUTABLE EARNINGS		
Profit attributable to shareholders of the company	**666 049**	390 851
Debenture interest	**–**	127 814
Fair value – investment properties revaluation	**(284 124)**	(210 065)
Fair value – straight-line rental income	**41 912**	4 077
Fair value – Interest rate swaps	**(2 813)**	(1 403)
Amortisation of debt raising fee	**–**	2 187
Antecedent dividend	**2 492**	22 895
Transaction costs on business combination	**3 032**	–
Straight-line rental income accrual	**(41 912)**	(4 077)
Distributable earnings and dividends declared	**384 636**	332 279
DISTRIBUTION STATEMENT		
Revenue	**1 023 475**	725 032
Contractual rental income	**797 557**	578 550
Recoveries and other income	**225 918**	146 482
Property expenses	**(349 646)**	(250 216)
Net property income	**673 829**	474 816
Administration and corporate costs	**(32 013)**	(25 789)
Net operating profit	**641 816**	449 027
Net finance cost	**(242 002)**	(141 830)
Antecedent dividend	**2 492**	22 895
Amortisation of debt raising fee	**–**	2 187
Non-controlling interests	**(17 670)**	–
Distribution	**384 636**	332 279

CORPORATE INFORMATION

DIPULA INCOME FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2005/013963/06)
JSE share code for A-shares: DIA
ISIN for A-shares: ZAE000203378
JSE share code for B-shares: DIB
ISIN for B-shares: ZAE000203394
(Approved as a REIT by the JSE)
("Dipula" or "the company" or "the Fund",
and together with its subsidiaries, "the group")

Registered office and business address
Block B Dunkeld Park
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Johannesburg, 2196

Independent auditors
Deloitte & Touche
Practice number: 902276
Registered Auditors
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton

Transfer secretaries
Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001

Bankers
The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
3rd Floor, East Wing, 30 Baker Street
Rosebank, 2196

Corporate advisor and Sponsor
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6A Sandown Valley Crescent
Sandton, 2196

Company secretary
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