

2018

FINAL RESULTS  
FOR YEAR ENDED  
30 JUNE

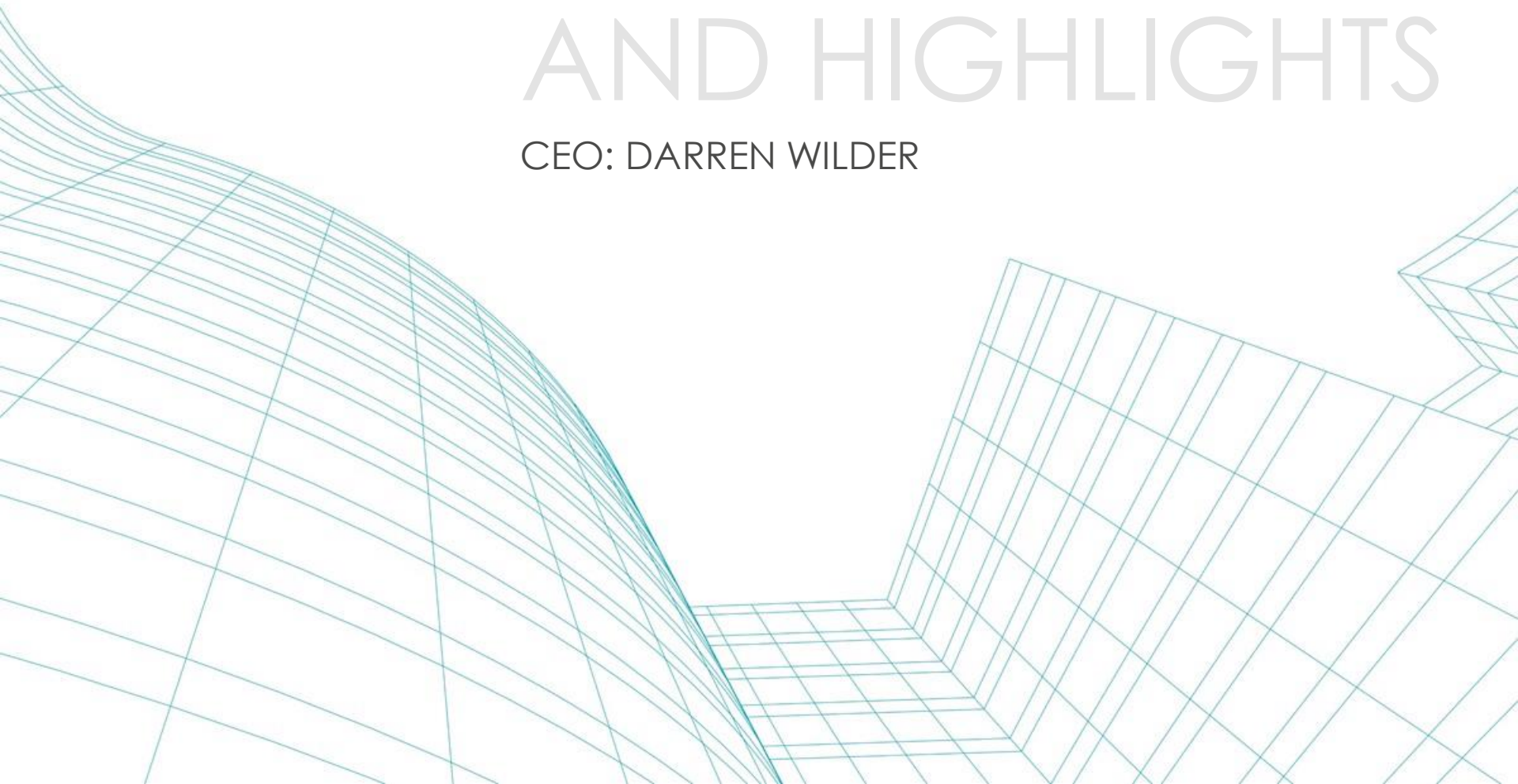
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**FAIRVEST**  
PROPERTY HOLDINGS

- INTRODUCTION AND HIGHLIGHTS - DARREN WILDER
- FINANCIAL OVERVIEW - JACQUES KRIEL
- PROPERTY OVERVIEW - DARREN WILDER
- PORTFOLIO MOVEMENTS - DARREN WILDER
- PROSPECTS - DARREN WILDER

# INTRODUCTION AND HIGHLIGHTS

CEO: DARREN WILDER



- Real Estate Investment Trust (REIT)
- 44 properties
- 237 965m<sup>2</sup> GLA
- Asset value of R2.99 billion
- Sectoral split:
  - › 95.4% retail properties
  - › 4.6% office properties
- Diversified across South Africa
- Providing unique access to the underdeveloped and high growth, lower LSM consumer market

- Continued lower LSM retail only focused fund
- Strong value extraction focus
- Differentiate ourselves through performance not size
- Acquisitions only at the right price
- Focus on strategic relationships for both brown and green field projects, by developing relationships with experienced developers and landlords and assume an equity funding role to strategic partners
- Disciplined, conservative financial management

# HIGHLIGHTS

DISTRIBUTION FOR  
THE YEAR  
INCREASED BY

**9.91%** TO  
**20.150**

CENTS PER SHARE

TOTAL PROPERTY  
PORTFOLIO  
INCREASED BY

**35.5%** TO  
**R2.987**

BILLION

LIKE-FOR-LIKE  
ANNUALISED NET  
PROPERTY INCOME  
INCREASED BY

**11.7%**

NET ASSET VALUE  
UP BY

**4.4%** TO  
**227.78**

CENTS PER SHARE

VACANCIES  
DECREASED TO

**3.5%**

OF TOTAL  
LETTABLE AREA

MAINTAINED  
ARREARS AT

**2.0%**

OF REVENUE

TENANT  
RETENTION  
REMAINED HIGH AT

**86.9%**

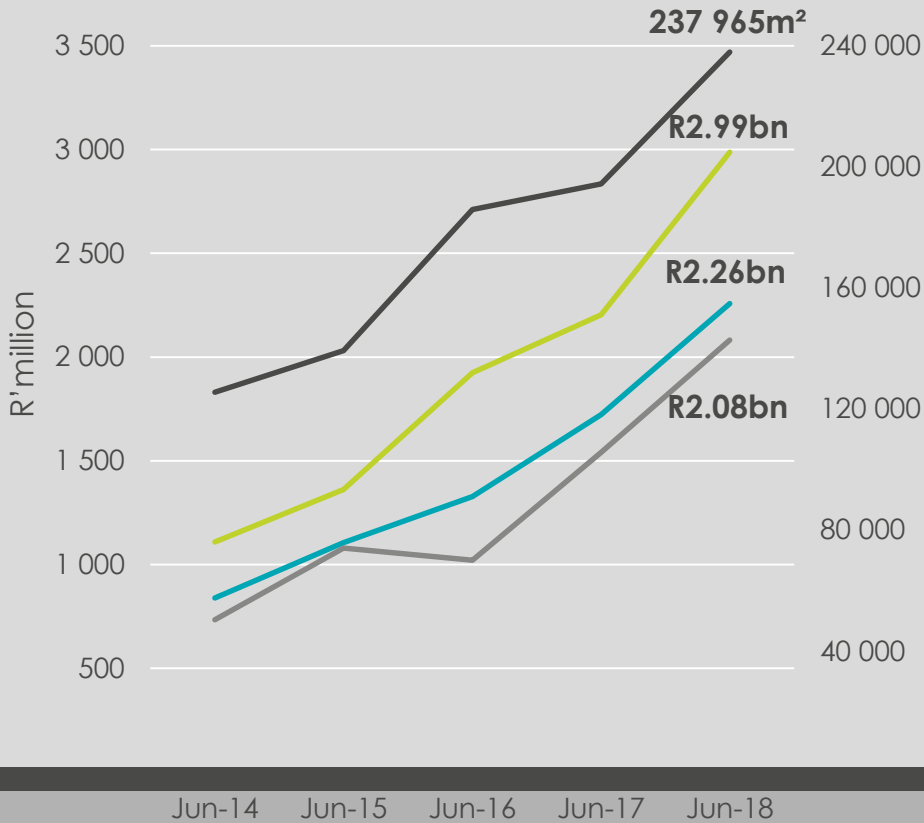
DISTRIBUTION  
GROWTH OF

**8% TO 10%**

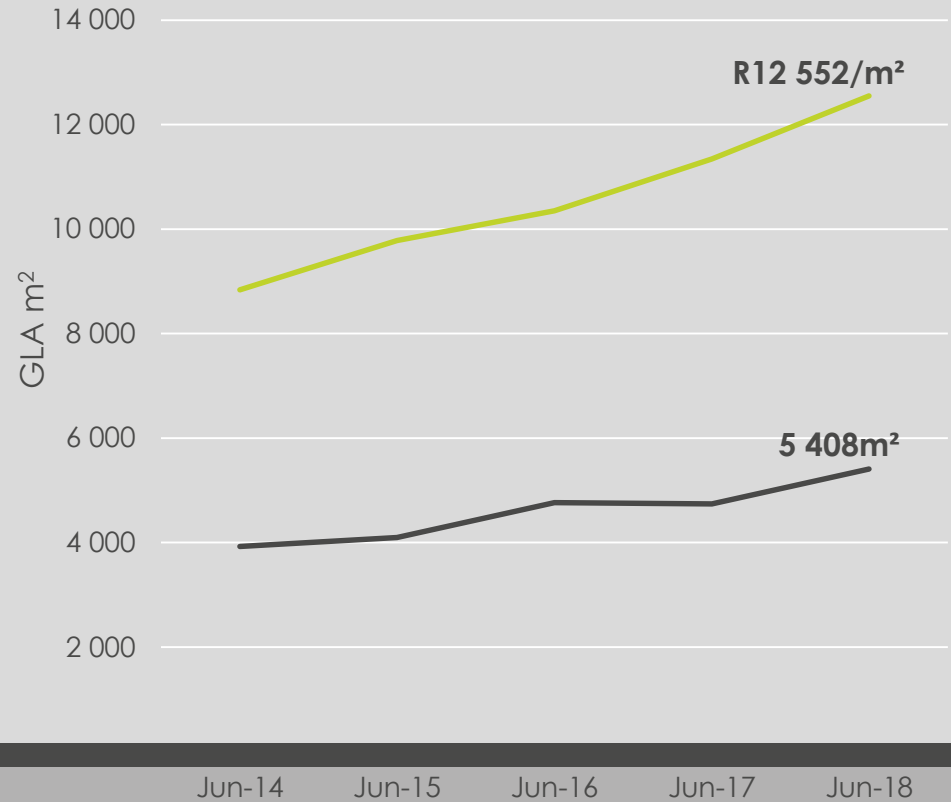
EXPECTED  
FOR 2019

# CONSISTENT GROWTH

## GROWTH INDICATORS



## IMPROVED ASSET QUALITY

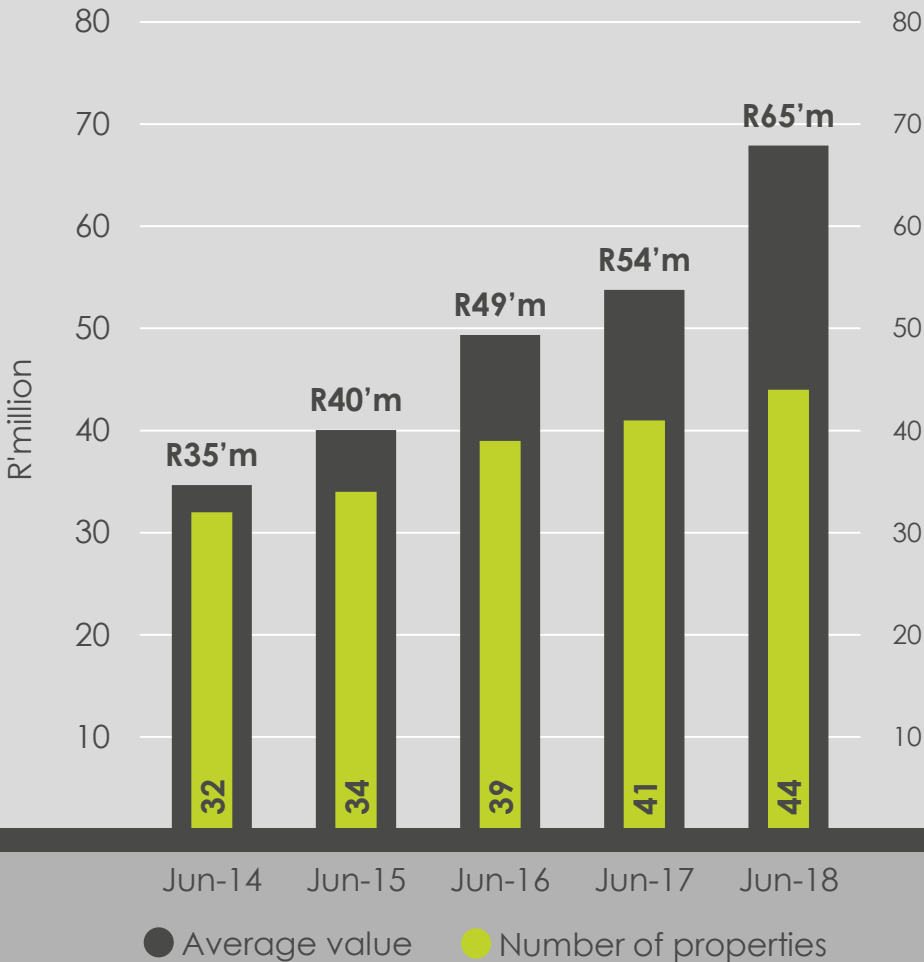


— Valuation  
— Net asset value  
— Market capitalisation  
— GLA (rhs)

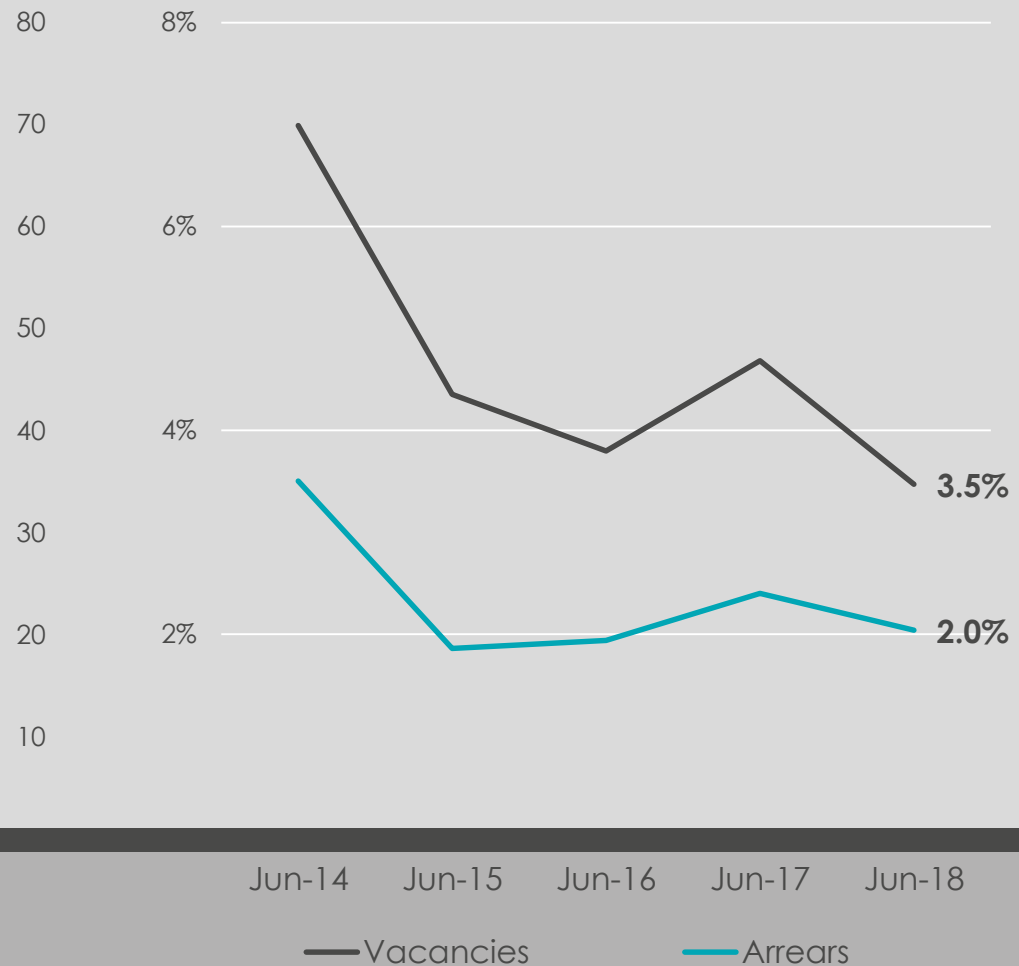
— Average value per m2  
— Average size

# STRONG PERFORMANCE

## PROPERTY PORTFOLIO



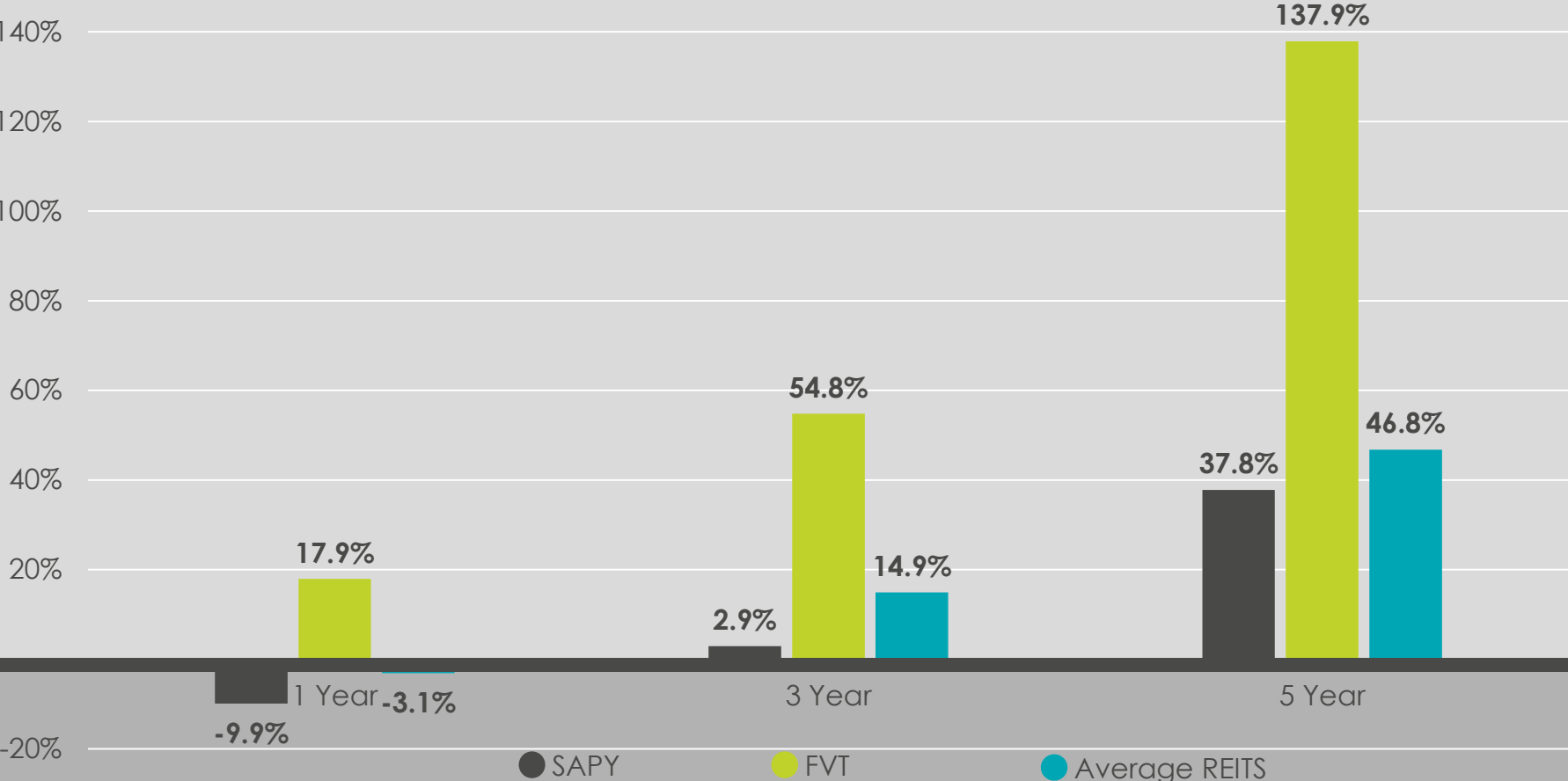
## VACANCIES AND ARREARS



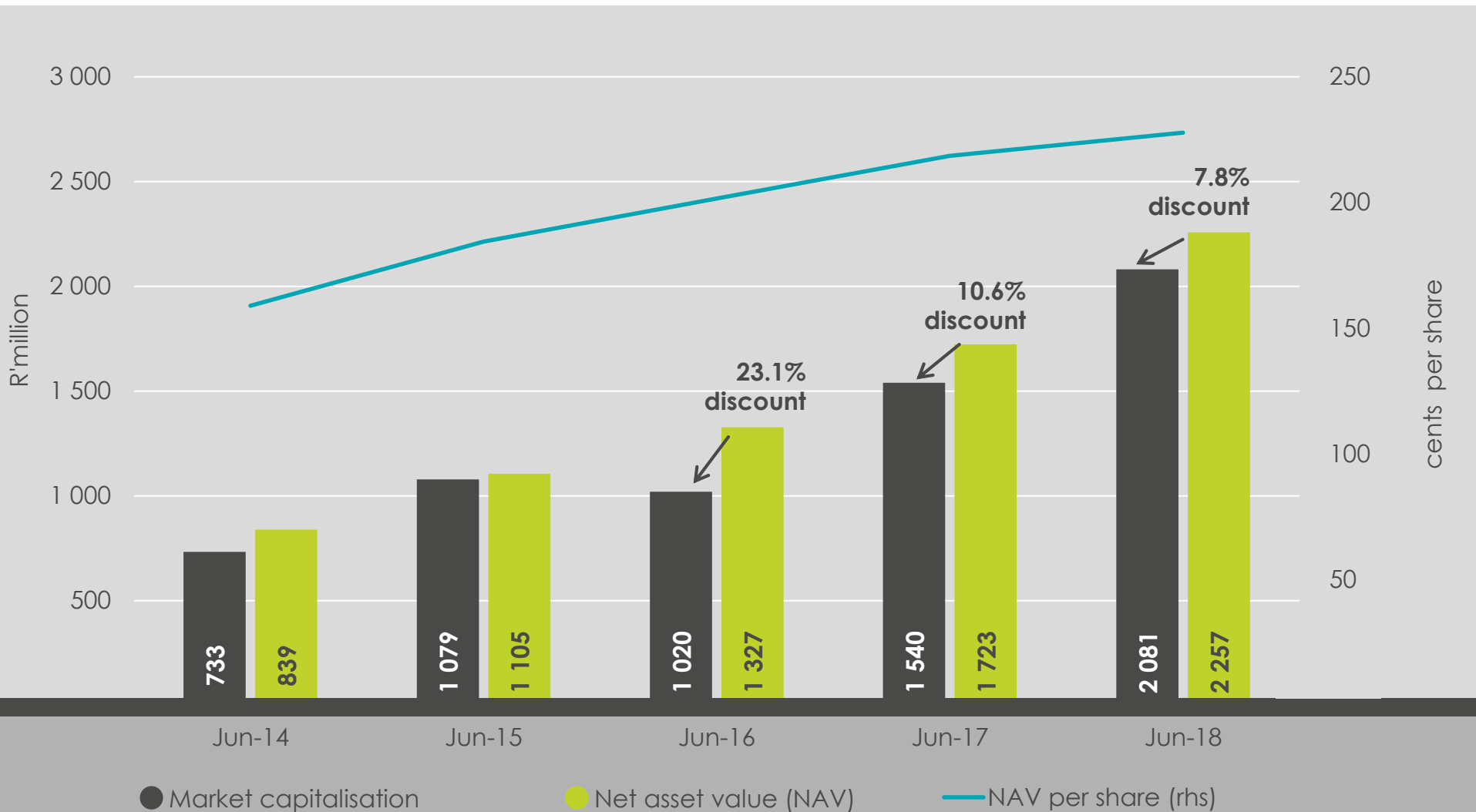


# CONSISTENT OUTPERFORMANCE

CUMULATIVE TOTAL RETURN  
COMPARED TO THE SOUTH AFRICAN LISTED PROPERTY INDEX (SAPY)



# NET ASSET VALUE VS MARKET CAPITALISATION

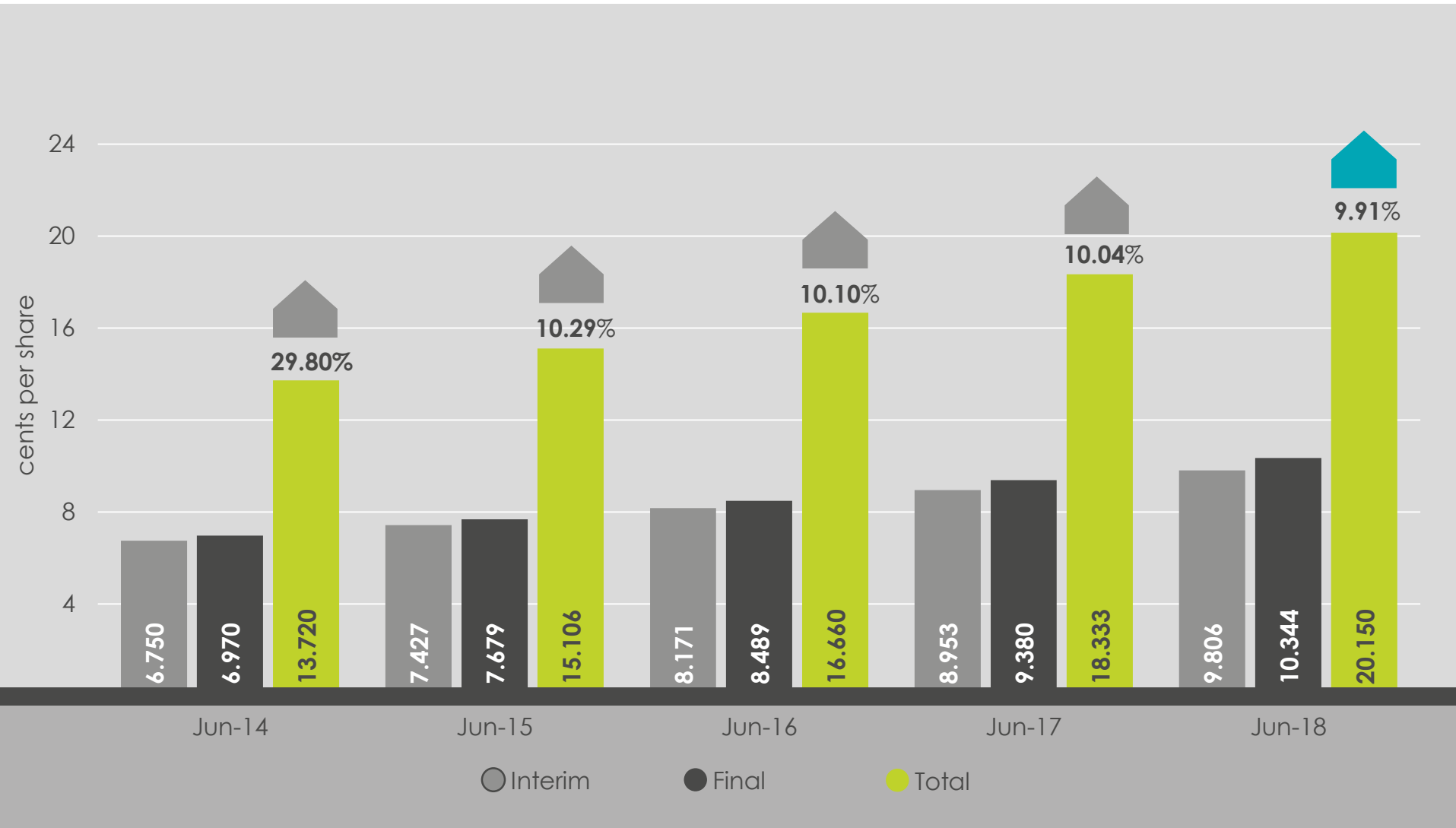


# FINANCIAL OVERVIEW

CFO: JACQUES KRIEL



# DISTRIBUTION HISTORY



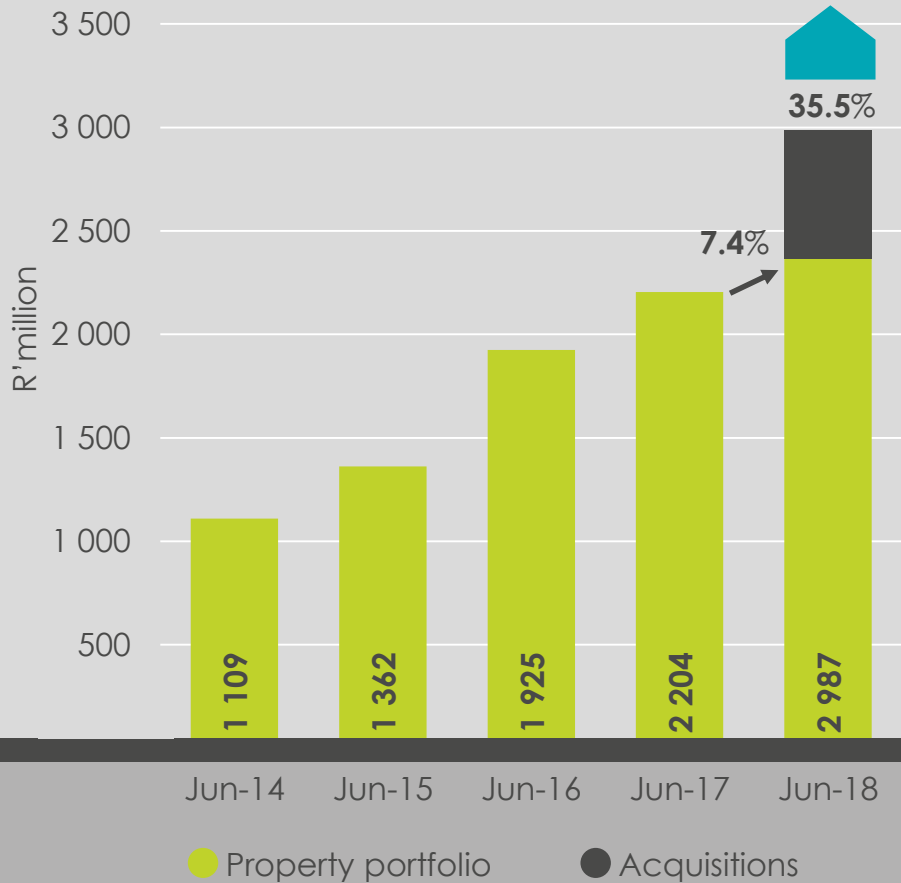
# DISTRIBUTABLE INCOME STATEMENT

	% change	Jun-18 R'000	Jun-17 R'000	Jun-16 R'000
<b>Income</b>				
Rental income	22.8	287 294	234 044	199 249
Recoveries	21.7	105 130	86 387	68 891
Sundry income		3 780	-	-
Investment revenue	188.5	27 175	9 420	2 050
	28.4	423 379	329 851	270 190
<b>Expenses</b>				
Property expenses	17.8	(143 293)	(121 690)	(103 416)
Finance cost	44.4	(76 081)	(52 673)	(43 162)
Corporate administrative expenses	29.1	(25 046)	(19 393)	(16 680)
Shares issued cum distribution	59.0	13 146	8 267	2 749
Non-controlling interest share	1 064.6	(5 159)	(443)	(12)
<b>Distributable earnings</b>	29.9	186 946	143 919	109 669
Distribution per share (cents)	9.91	20.150	18.333	16.660

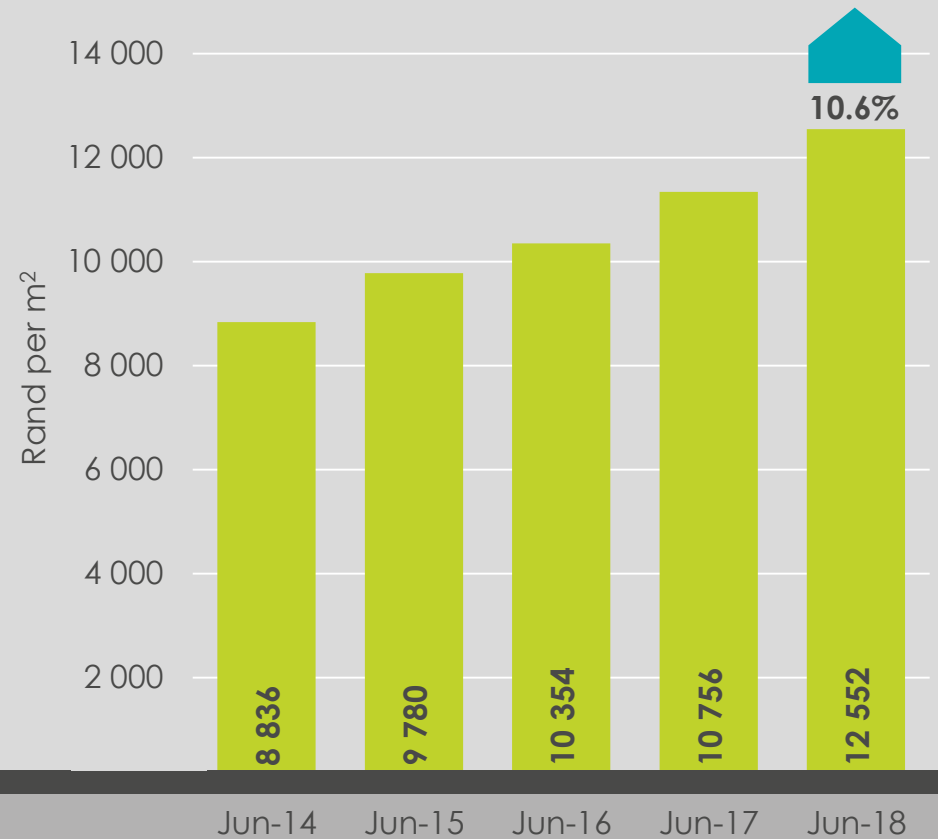
# SUMMARISED STATEMENT OF FINANCIAL POSITION

	% change	Jun-18 R'000	Jun-17 R'000	Jun-16 R'000
Non-current assets	43.2	3 242 160	2 263 812	1 895 958
Current assets	53.0	82 812	54 110	31 229
Non-current assets held for sale		-	-	40 000
<b>Total assets</b>	43.4	<b>3 324 972</b>	2 317 922	1 967 187
Shareholders' interest	31.0	2 257 385	1 723 218	1 327 079
Non-controlling interest	2 290.4	106 469	4 454	1 081
Non-current liabilities	51.7	469 212	309 366	593 799
Current liabilities	75.1	491 906	280 884	45 228
<b>Total equity and liabilities</b>	43.4	<b>3 324 972</b>	2 317 922	1 967 187
Net asset value per share	4.4	227.78	218.18	201.60

## PORTFOLIO VALUATION

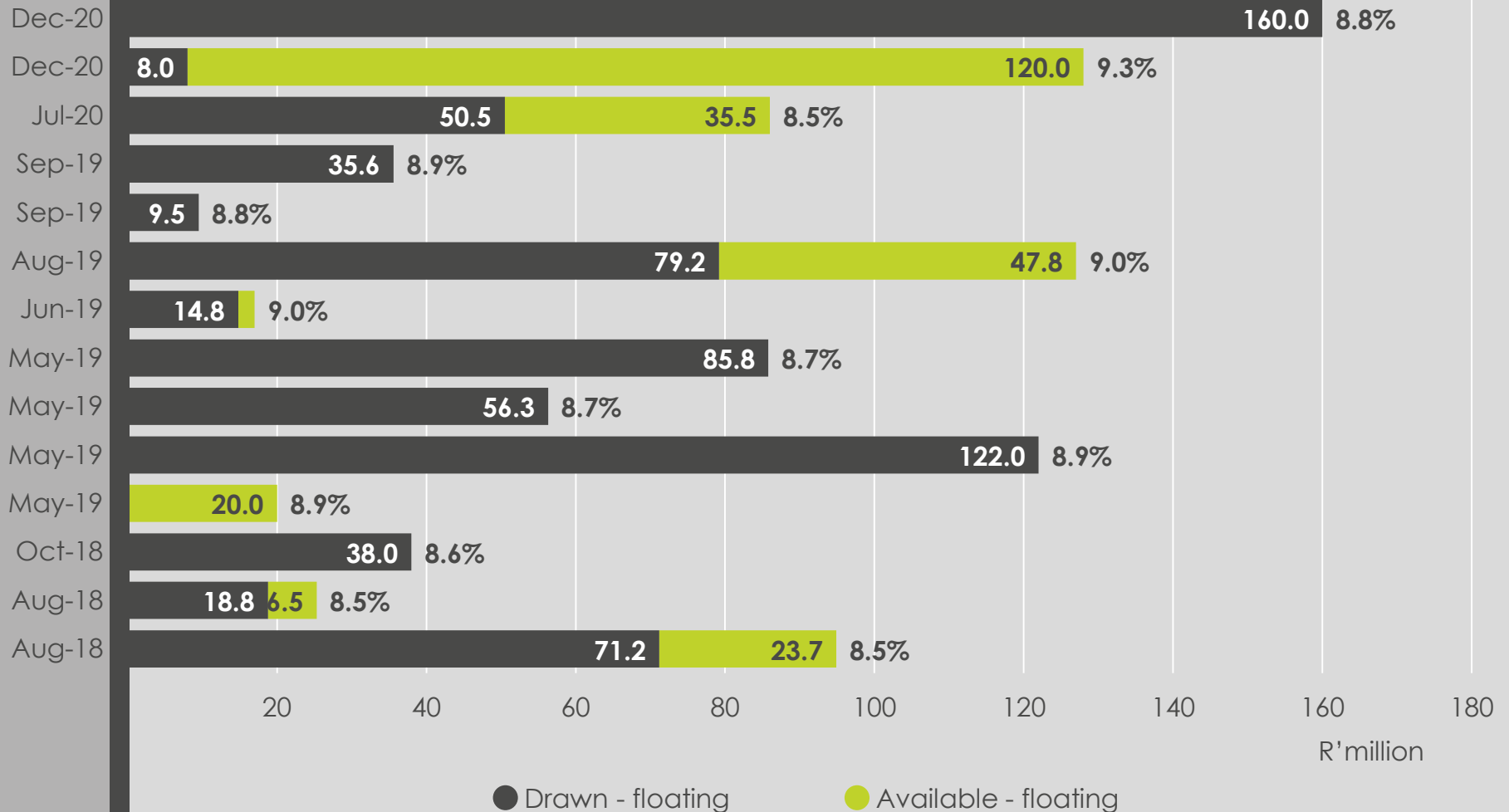


## PORTFOLIO VALUATION PER GLA



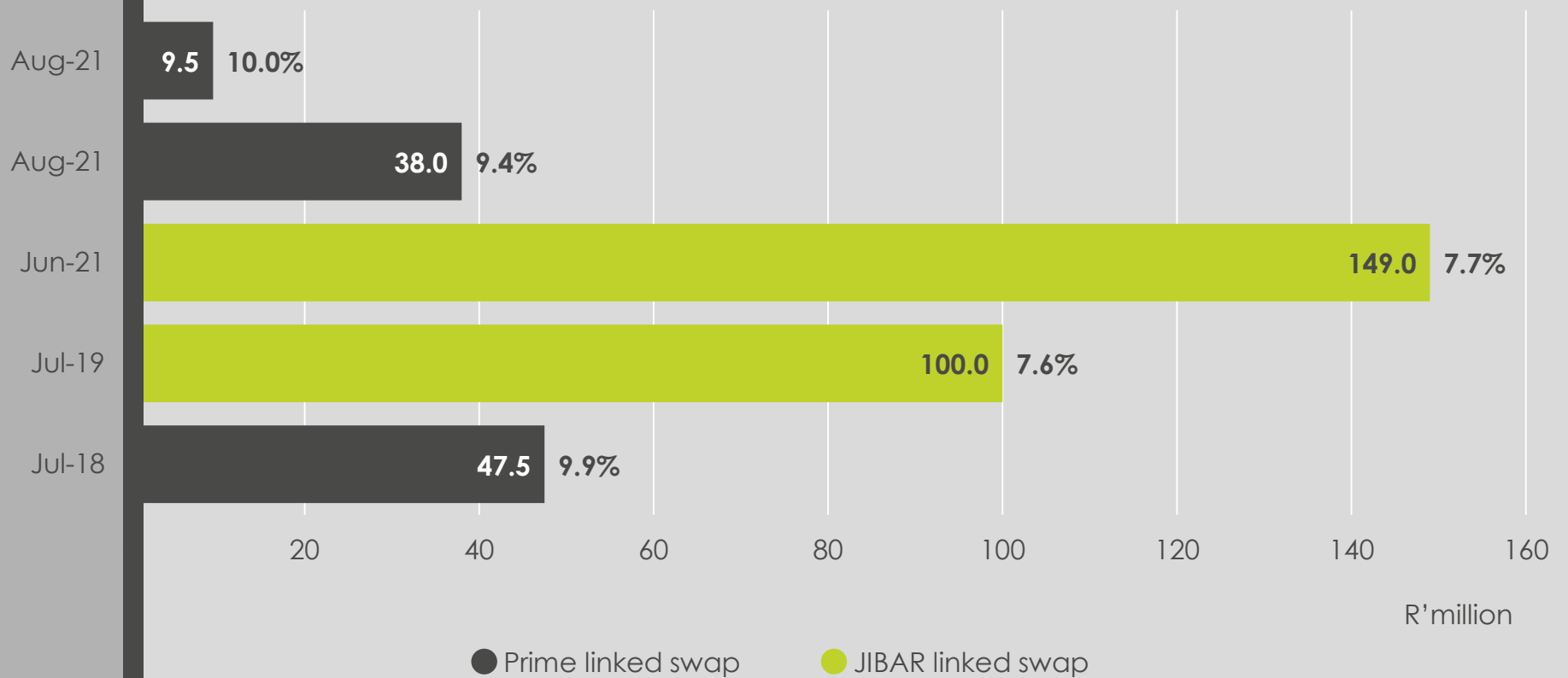
# TREASURY MANAGEMENT

## MATURITY PROFILE OF FLOATING RATE DEBT





## MATURITY PROFILE OF HEDGES

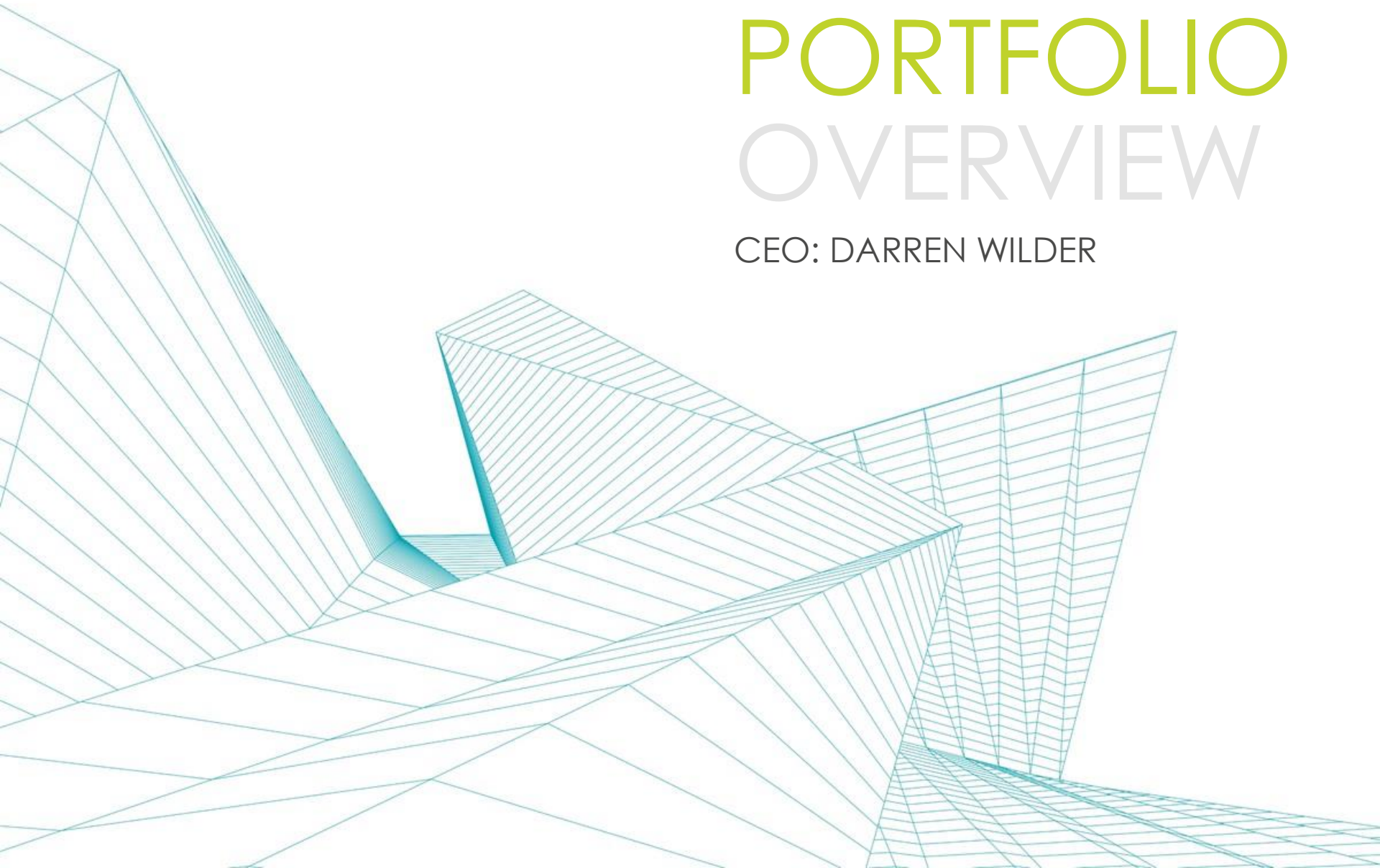


# TREASURY MANAGEMENT

		Jun-18	Jun-17	Jun-16	Jun-15
Loan to value ratio	%	<b>25.1</b>	22.4	29.7	18.0
% of interest-bearing debt fixed	%	<b>45.9</b>	87.1	57.7	73.2
Weighted average cost of funding	%	<b>9.2</b>	9.5	9.4	9.0
Interest cover	times	<b>3.3</b>	3.1	3.5	5.0
Weighted average maturity of debt	months	<b>17</b>	15	27	31
Weighted average maturity of fixes/swaps	months	<b>24</b>	18	27	31
Total debt	R' million	<b>749.65</b>	493.64	571.23	245.12
Total facilities	R' million	<b>1 089.82</b>	830.67	722.69	461.45
Undrawn facilities	R' million	<b>349.17</b>	331.03	151.47	216.33

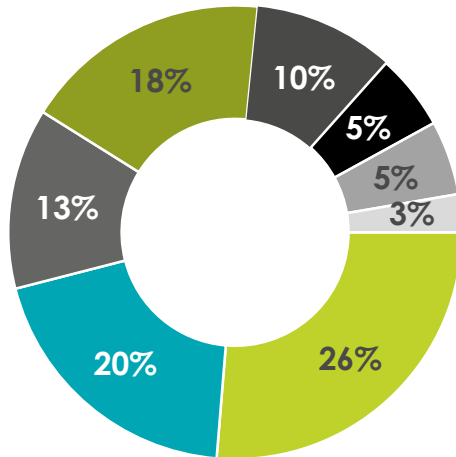
# PORTFOLIO OVERVIEW

CEO: DARREN WILDER

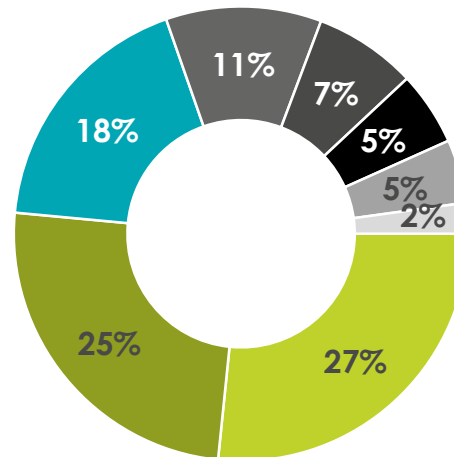


# A WELL DIVERSIFIED PORTFOLIO

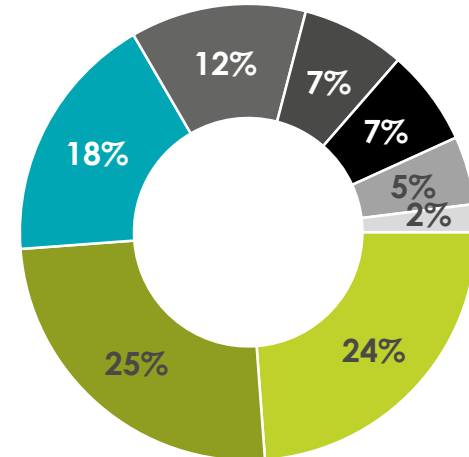
REVENUE  
PER REGION\*



VALUATION  
PER REGION



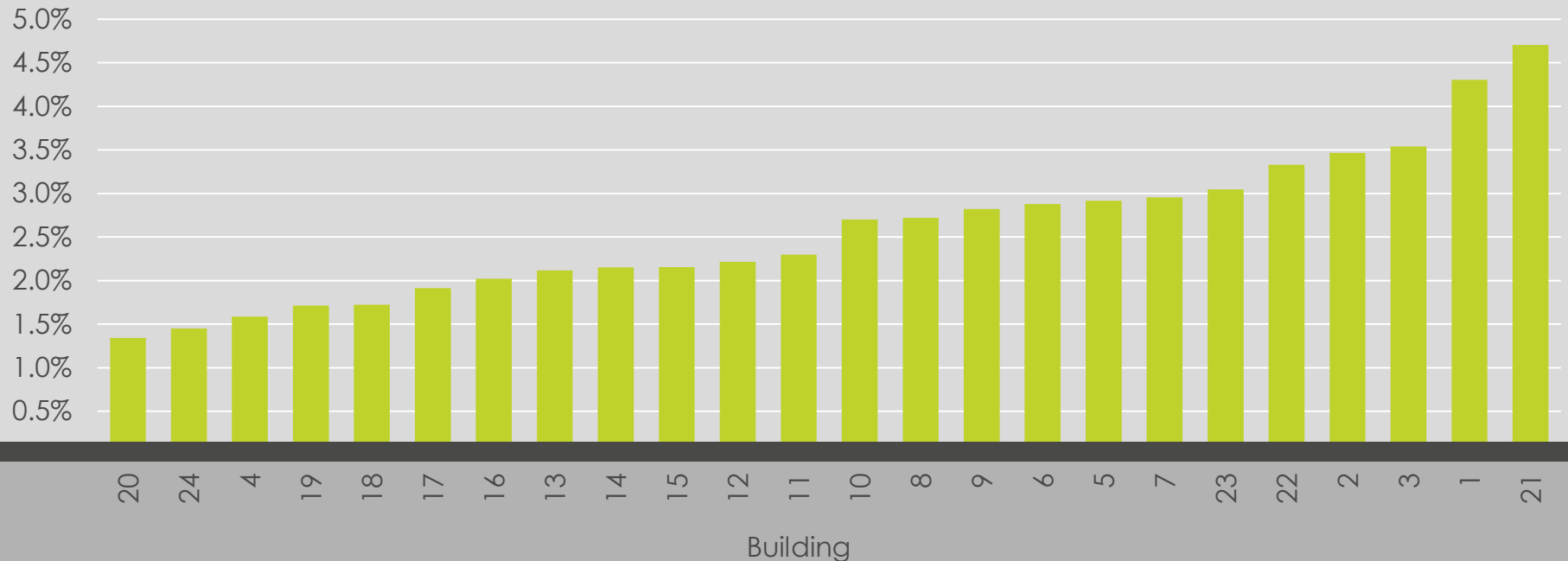
GROSS LETTABLE AREA  
PER REGION



- KwaZulu-Natal
- Gauteng
- Western Cape
- Free State
- Northern Cape
- Eastern Cape
- Limpopo
- Mpumalanga

\* Southview Shopping Centre in Gauteng is excluded from revenue per region

# RENT TO SALES RATIO OF ANCHOR TENANTS

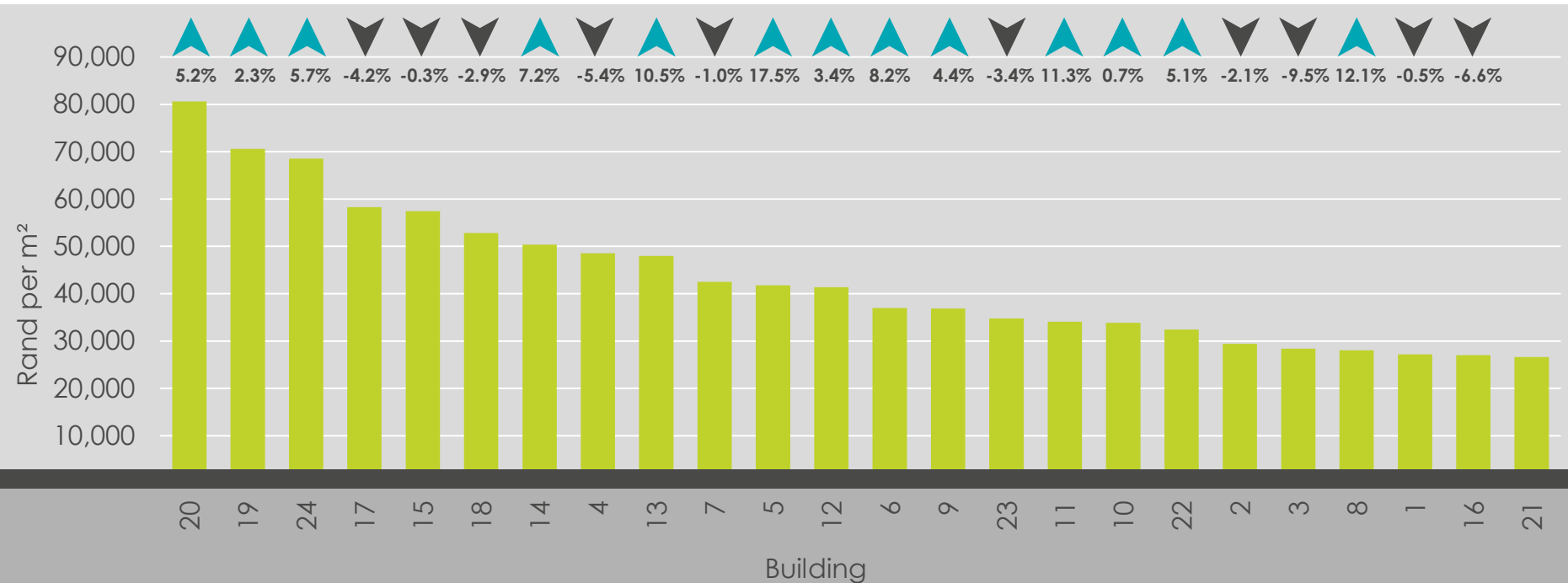


## Ratios

Weighted average rent to sales ratio

	Jun-18	Jun-17
Weighted average rent to sales ratio	2.4	2.2

# TRADING DENSITY YEAR-ON-YEAR COMPARISON



## Ratios

Weighted average trading density

R/m²

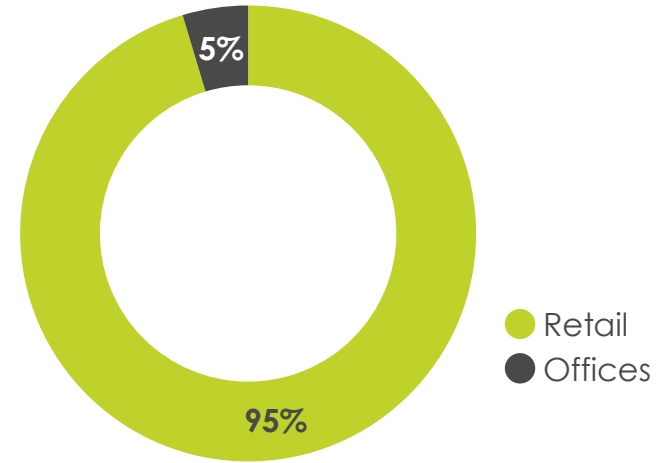
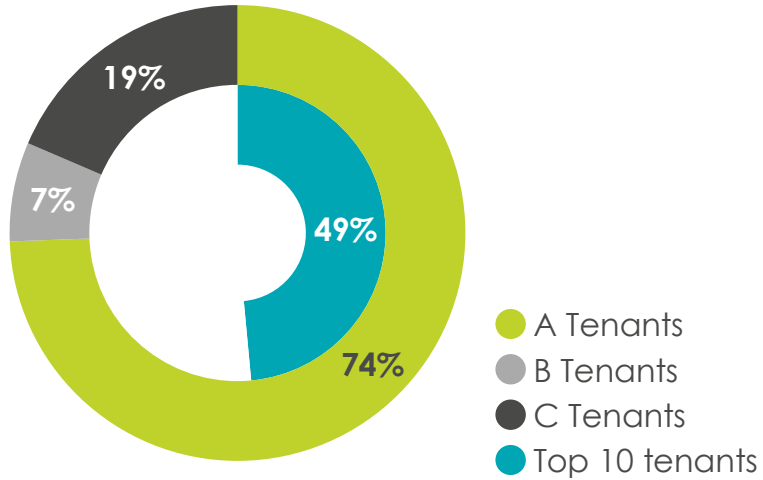
Jun-18

41 629

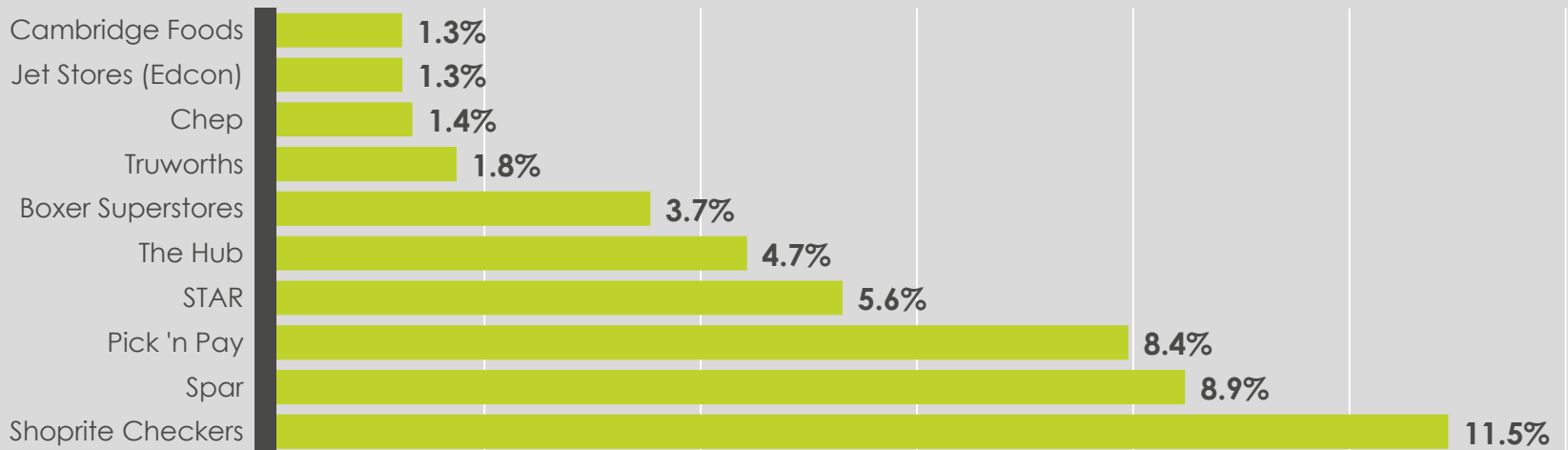
Jun-17

41 019

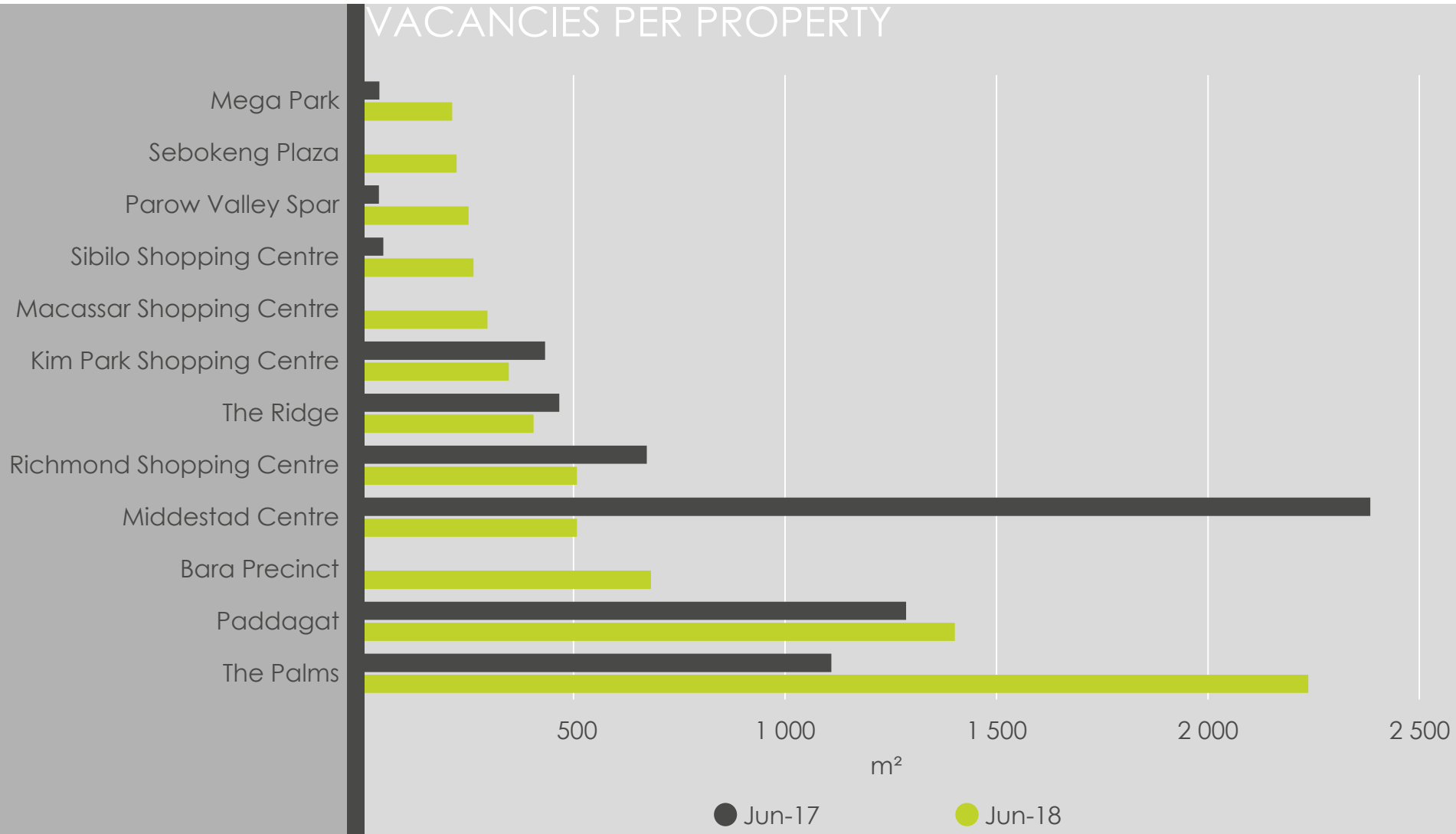
# TENANT PROFILE BY GLA



## TOP 10 TENANTS BY GLA



# CONTINUED REDUCTION IN VACANCIES



For vacancies greater than 200m²

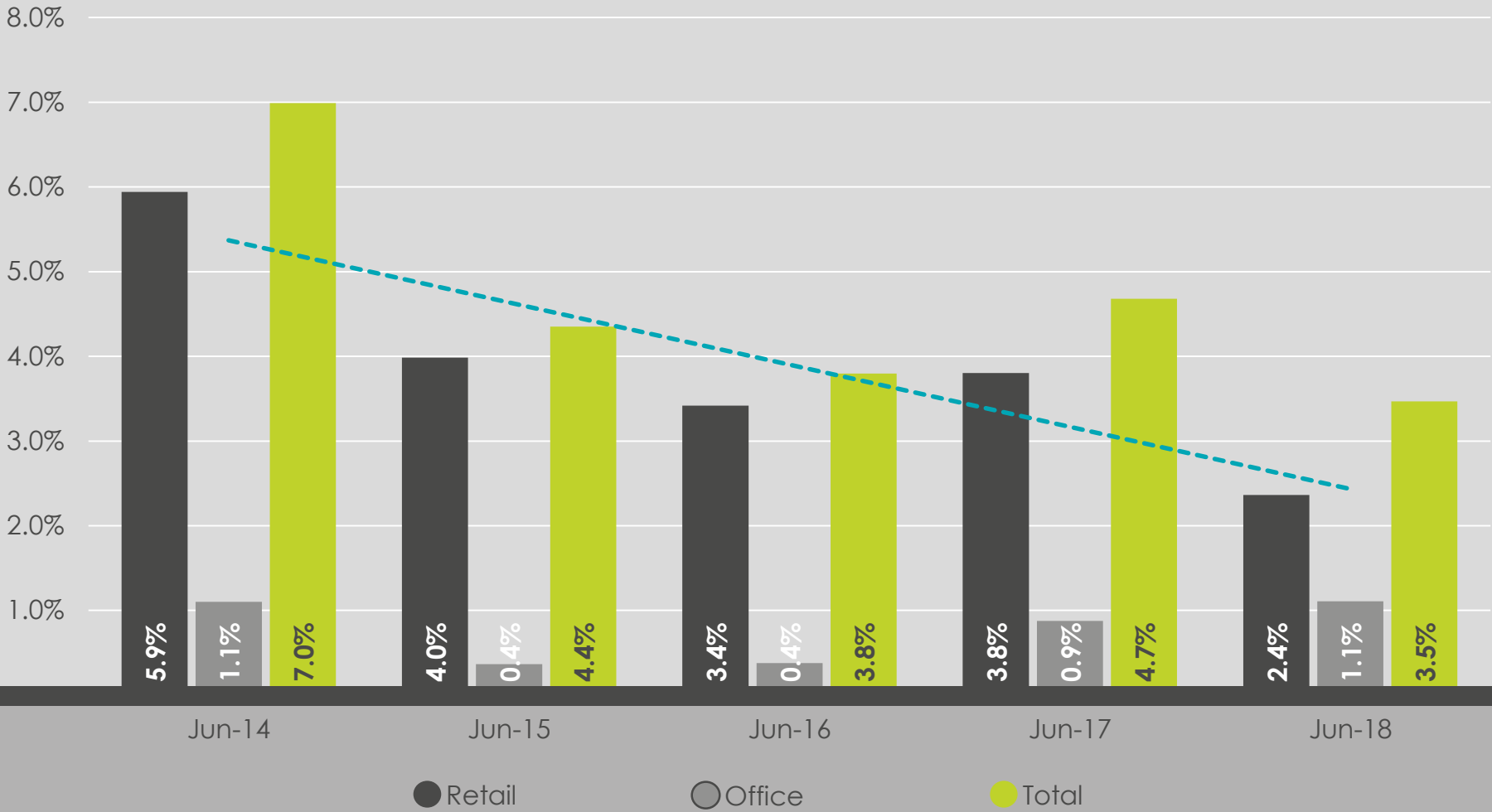


# CONTINUED REDUCTION IN VACANCIES

<b>Vacancies</b>		<b>Jun-18</b>	<b>Jun-17</b>	<b>Jun-16</b>	<b>Jun-15</b>
Vacant area	m <sup>2</sup>	<b>8 255</b>	9 094	7 060	6 058
Vacancy	%	<b>3.5</b>	4.7	3.8	4.4
Retail	%	<b>2.4</b>	3.8	3.4	4.0
Office	%	<b>1.1</b>	0.9	0.4	0.4

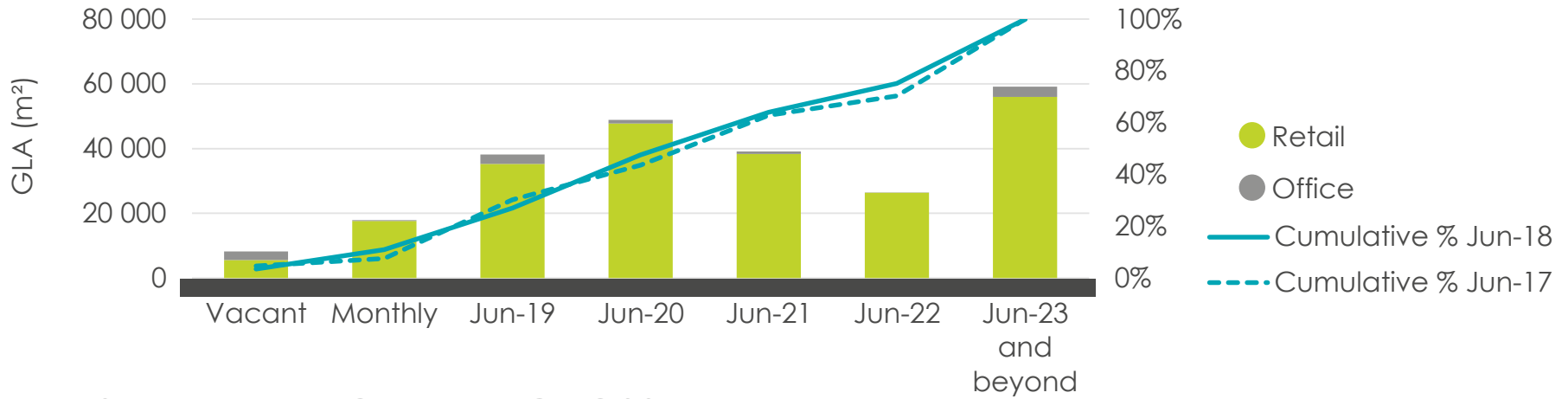
<b>Letting activity</b>		<b>Jun-18</b>	<b>Jun-17</b>	<b>Jun-16</b>	<b>Jun-15</b>
Weighted average contractual escalation	%	<b>7.4</b>	7.4	7.5	7.4
New leases concluded during the period	m <sup>2</sup>	<b>11 513</b>	16 774	8 695	8 742
Renewals concluded during the period	m <sup>2</sup>	<b>26 497</b>	27 336	19 424	21 731
Weighted average positive reversions on renewals	%	<b>6.9</b>	7.5	11.6	6.6
Tenant retention	%	<b>86.9</b>	72.8	85.2	81.0
Weighted average lease term	Months	<b>32</b>	38	36	41

# VACANCIES BY SECTOR

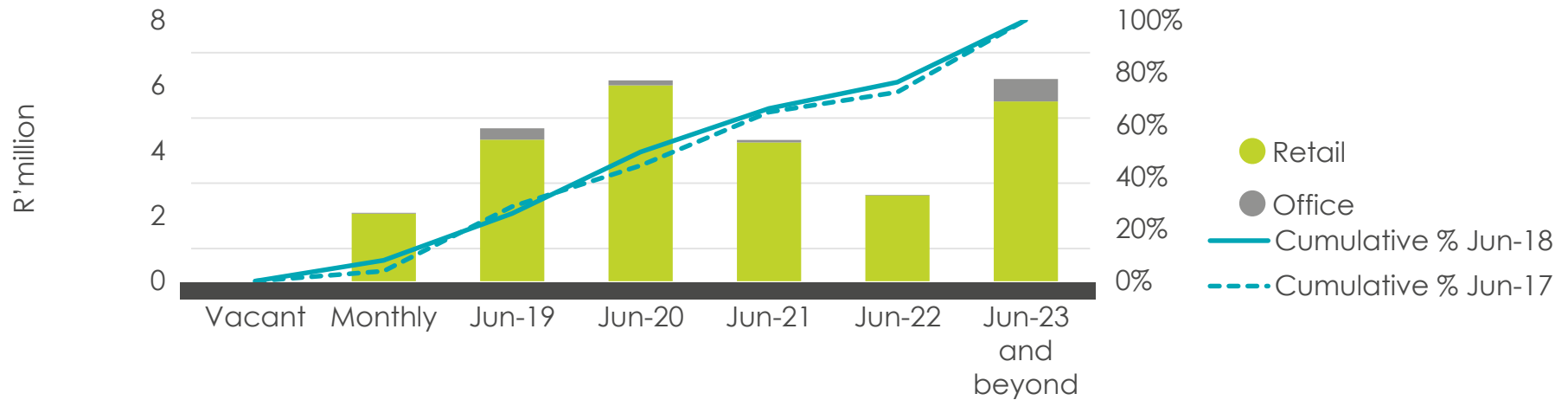


# LEASE EXPIRY PROFILE

## LEASE EXPIRY PROFILE BY GLA

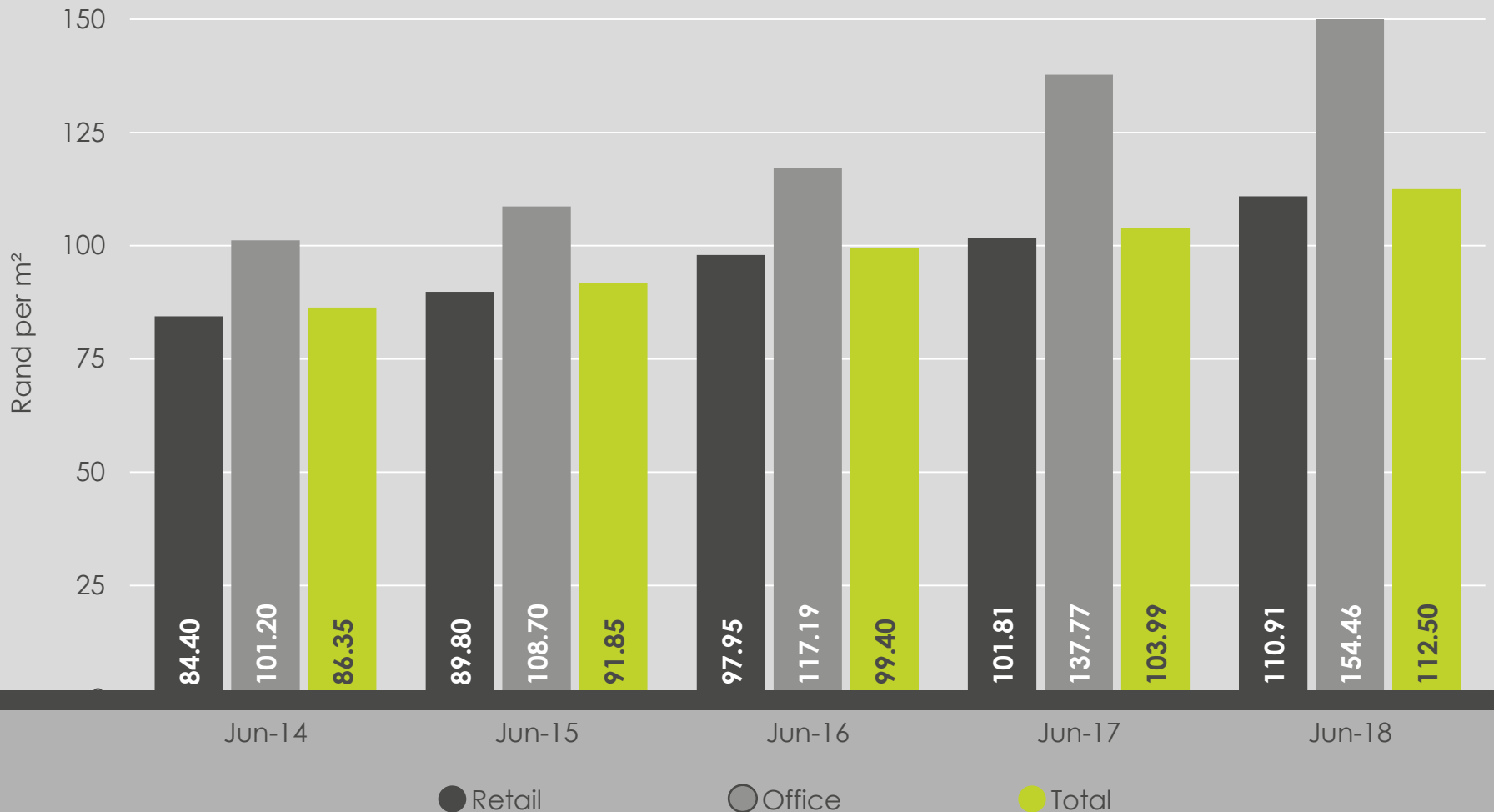


## LEASE EXPIRY PROFILE BY GROSS RENTAL

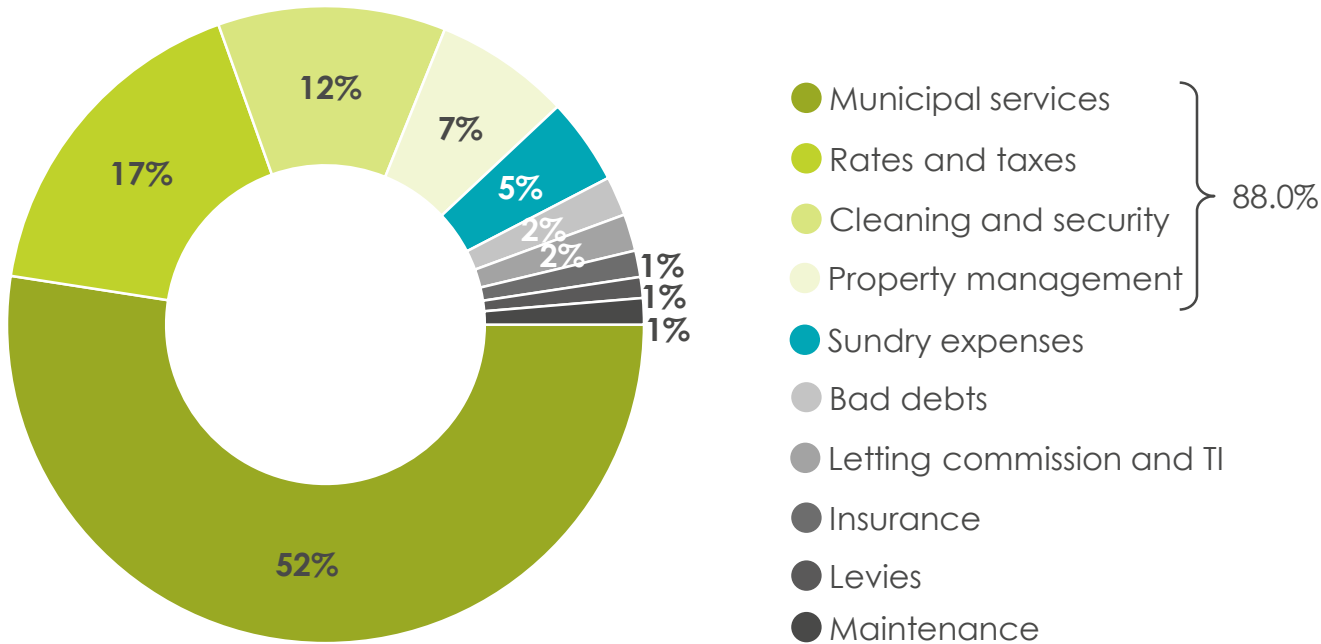


# COMPETITIVE BASE RENTALS

## WEIGHTED AVERAGE BASE RENTAL



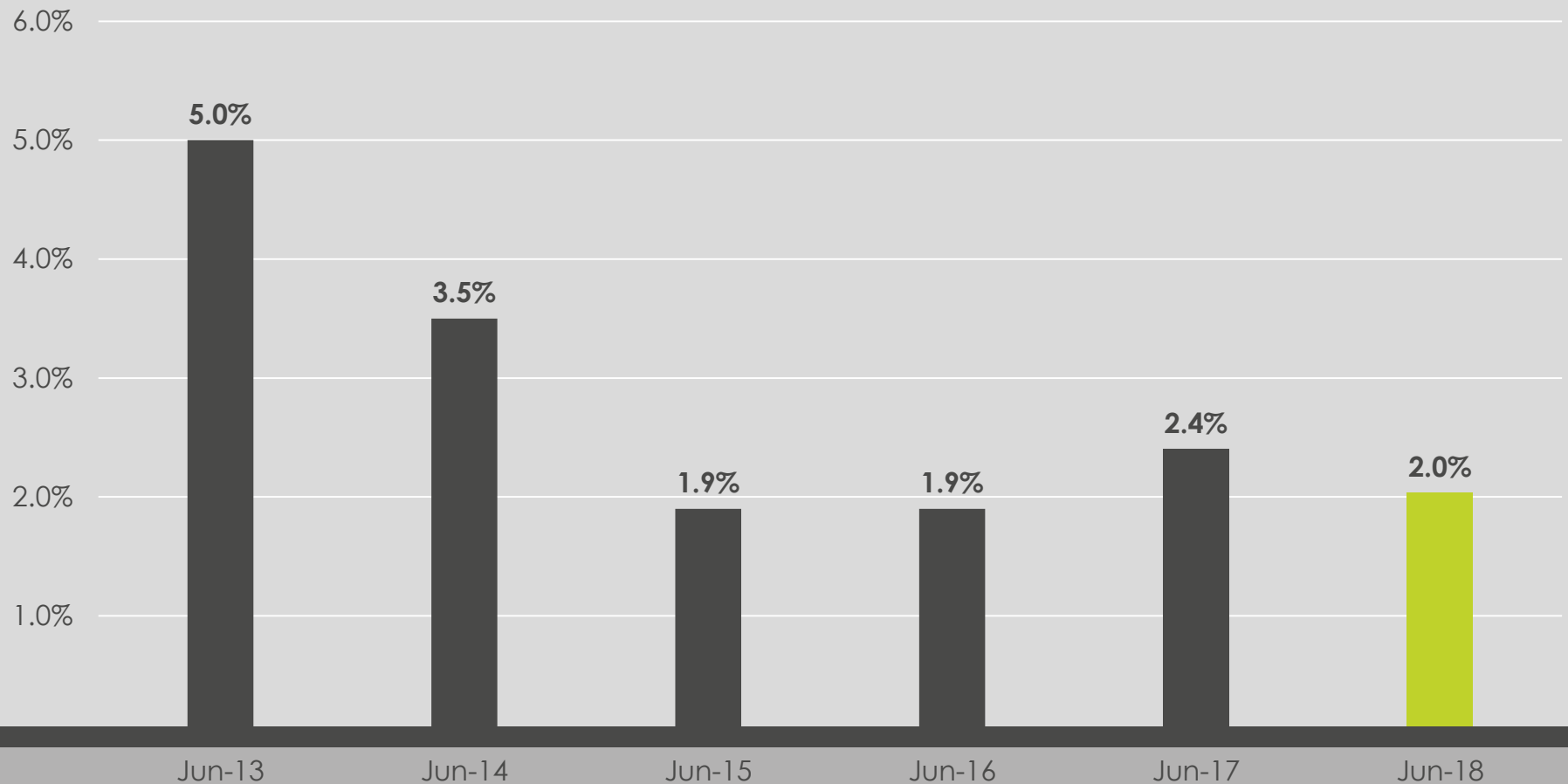
# COST CONTAINMENT



Ratios		Jun-18	Jun-17	Jun-16	Jun-15	Jun-14
Gross cost to income ratio	%	36.4	37.6	38.5	36.8	35.5
Net cost to income ratio*	%	13.0	15.5	17.4	17.3	17.7

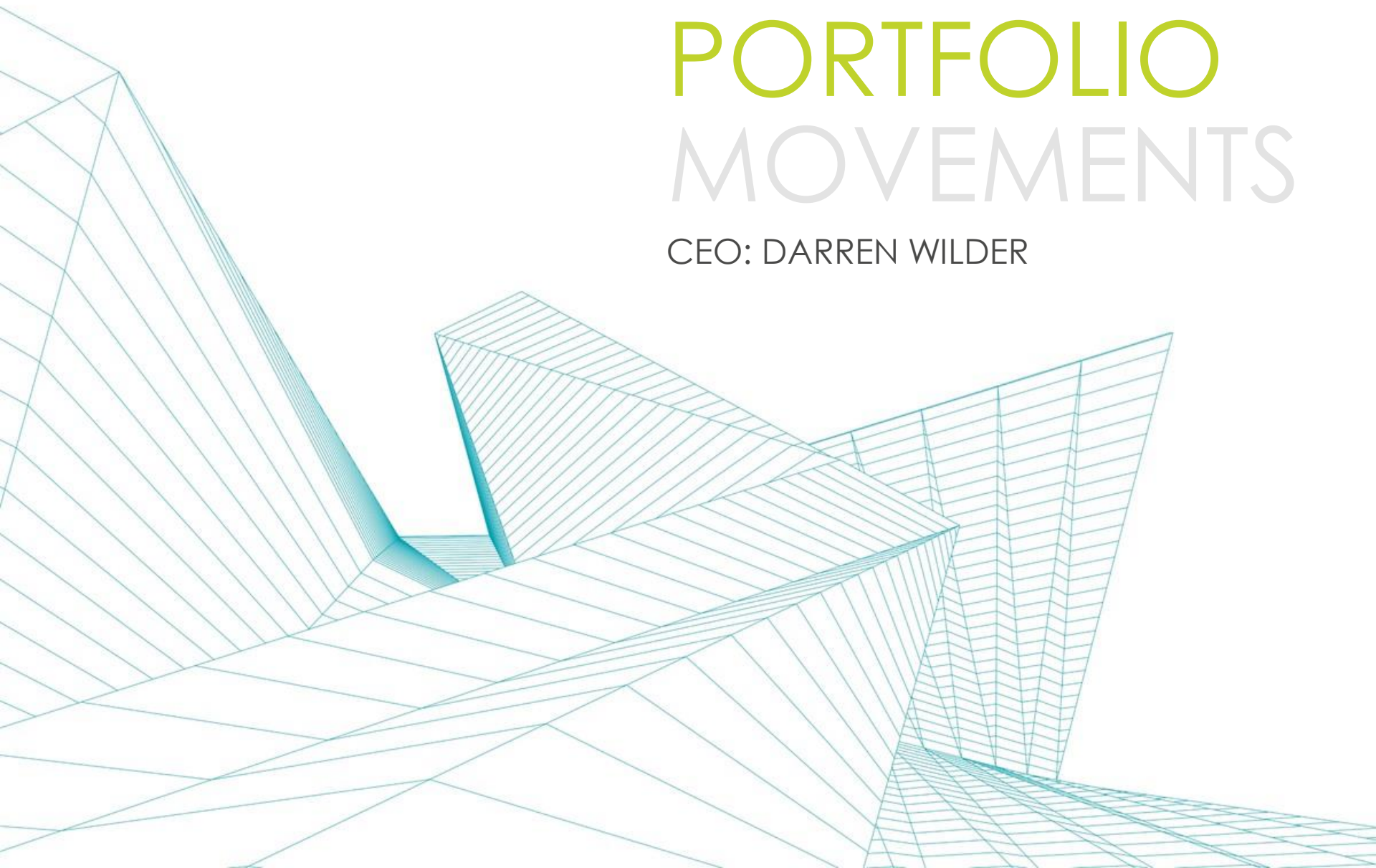
\* Net of costs recovered from tenants.

# ARREARS AS A PERCENTAGE OF REVENUE



# PORTFOLIO MOVEMENTS

CEO: DARREN WILDER



# PORTFOLIO MOVEMENTS

## PROPERTIES ACQUIRED DURING THE YEAR TO 30 JUNE 2018

<b>Vacancies</b>	<b>Location</b>	<b>GLA (m<sup>2</sup>)</b>	<b>Purchase price R'000</b>	<b>Anchor tenant</b>	<b>Date of transfer</b>
Shoprite Empangeni *	KwaZulu-Natal	13 660	<b>172 500</b>	Shoprite	18 Jul 17
Bara Precinct **	Gauteng	22 721	<b>322 435</b>	Cambridge Food, Pick 'n Pay	18 Dec 17
Southview Shopping Centre***	Gauteng	7 620	<b>92 914</b>	Shoprite	18 Jun 18

\* The property was acquired in a newly incorporated wholly owned subsidiary FPP Property Ventures 102 Proprietary Limited.

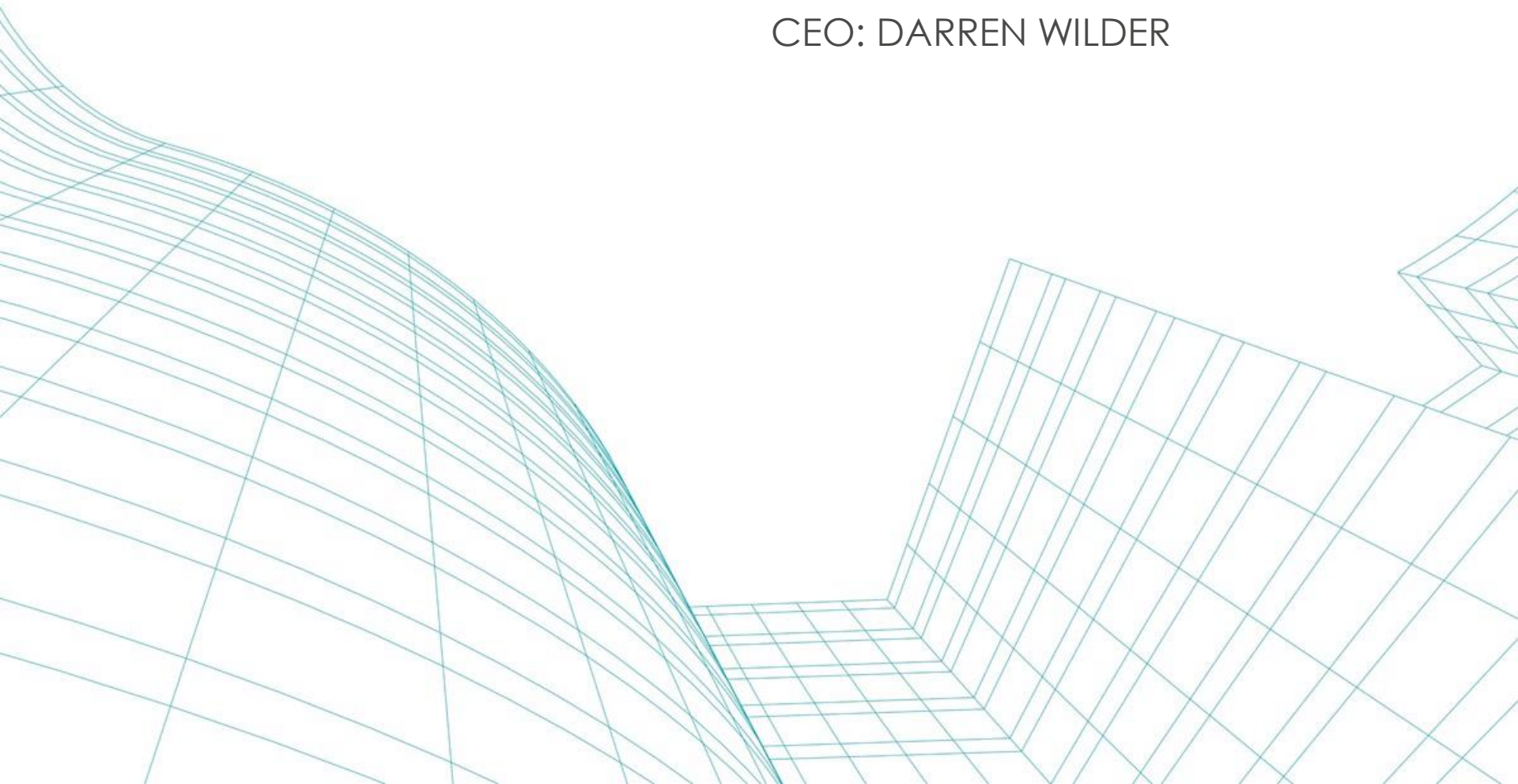
\*\* Fairvest subscribed for 50.17% of the shares in Bara Precinct Proprietary Limited and the company became a subsidiary.

\*\*\* Development in a newly incorporated subsidiary Southview Shopping Centre Proprietary Limited of which Fairvest owns 50% of the shares.



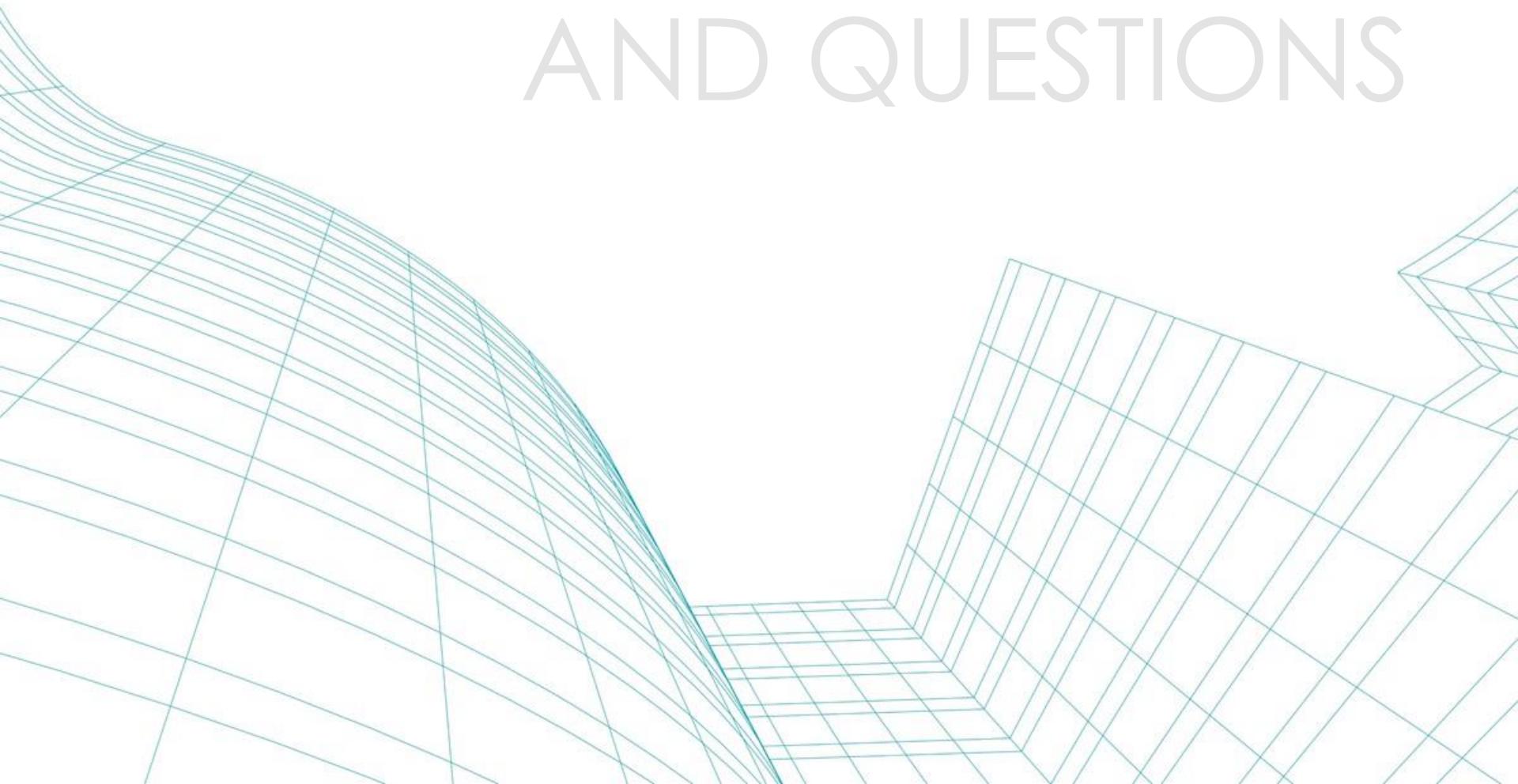
# PROSPECTS

CEO: DARREN WILDER



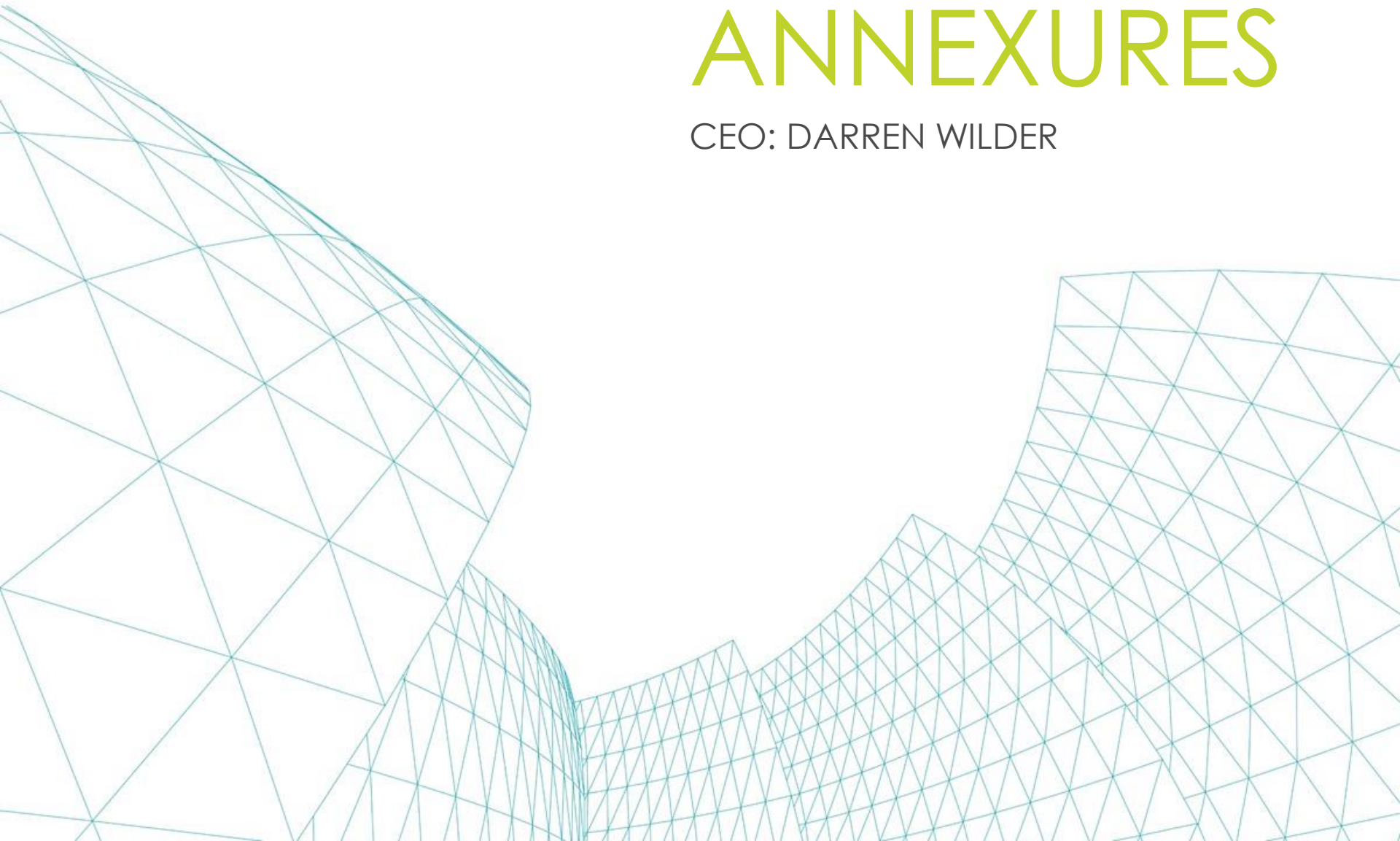
- **Increase** distribution per share for the full year by between **8%** and **10%**.
- Continue to pursue **yield accretive** acquisitions.
- Maintain net **cost to income** ratio at below **15%**.
- Maintain **tenant retention** at above **80%**.
- Contain **arrears** at below **2%** of revenue.
- Maintain **national tenant** component at above **75%**.
- Remain **conservatively** geared.
- Continue to target a **fixed debt** component above **70%**.

# THANK YOU AND QUESTIONS



# ANNEXURES

CEO: DARREN WILDER



# ANNEXURE 1: WELL DIVERSIFIED GEOGRAPHICALLY

<b>GAUTENG</b>	GLA m <sup>2</sup>	Market value R'000
Bara Precinct	22 721	333 500
Southview Shopping Centre	7 620	96 800
Sebokeng Plaza	5 717	68 900
Clubview Corner	6 074	63 200
The Ridge	4 666	59 800
Jan Niemand	2 139	30 200
Orange Farm	2 685	24 400
Vereeniging	2 626	24 200
The Palms	2 598	18 200
Stretford	1 508	12 100
Sharpeville	1 145	11 400

<b>NORTHERN CAPE</b>	GLA m <sup>2</sup>	Market value R'000
Sibilo Shopping Centre	8 514	122 100
Kim Park Shopping Centre	8 949	96 200

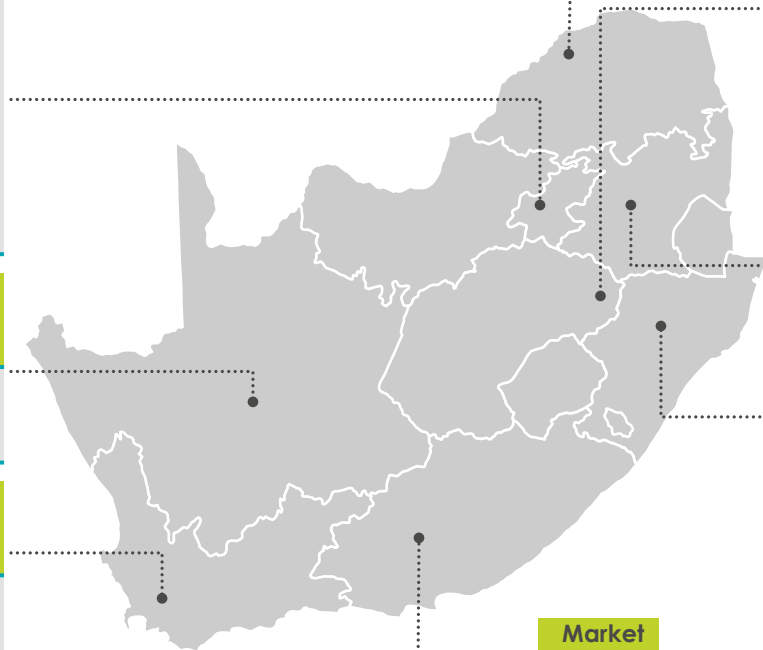
<b>WESTERN CAPE</b>	GLA m <sup>2</sup>	Market value R'000
Tokai Junction	7 698	153 700
Nyanga Junction	10 670	144 800
Paddagat	11 007	93 700
Macassar	5 101	79 400
Parow Valley	3 985	35 000
Omniplace	2 627	32 500
Nyanga Shopping Centre	1 242	3 600

<b>LIMPOPO</b>	GLA m <sup>2</sup>	Market value R'000
Mala Plaza	6 206	80 900
Masingita Shopping Centre	5 276	54 200

<b>FREE STATE</b>	GLA m <sup>2</sup>	Market value R'000
Middestad Mall	19 470	229 400
Mega Park	5 967	66 500
Zamdela Shopping Centre	2 247	24 000
Bradlows Building	1 942	10 900

<b>MPUMALANGA</b>	GLA m <sup>2</sup>	Market value R'000
Cosmos Centre	4 692	65 200

<b>KWAZULU-NATAL</b>	GLA m <sup>2</sup>	Market value R'000
Shoprite Empangeni	13 660	189 100
CHEP Building	3 337	107 300
Westville Junction	6 333	103 600
Qualbert Centre	4 655	84 600
425 West Street	9 559	77 800
Richmond Shopping Centre	8 844	80 500
212 Church Street	1 980	45 400
Coronation Walk	3 047	40 900
210 Church Street	1 897	35 500
Mkuze Corner	3 388	30 400



<b>EASTERN CAPE</b>	GLA m <sup>2</sup>	Market value R'000
Boxer Elliotdale	7 366	74 700
Boxer Mqanduli	4 689	42 800
Boxer Tabankulu	4 117	39 600

# ANNEXURE 2:

## 10 LARGEST PROPERTIES BY VALUE

Property Name	Location	Sector	Rentable area m <sup>2</sup>	Valuation R'000	% of total
Bara Precinct	Gauteng	Retail	22 721	<b>333 500</b>	11.2%
Middestad Mall	Free State	Retail	19 470	<b>229 400</b>	7.7%
Shoprite Empangeni	KwaZulu-Natal	Retail	13 660	<b>189 100</b>	6.3%
Tokai Junction	Western Cape	Retail	7 698	<b>153 700</b>	5.1%
Nyanga Junction	Western Cape	Retail	10 670	<b>144 800</b>	4.8%
Sibilo Shopping Centre	Northern Cape	Office & Retail	8 514	<b>122 100</b>	4.1%
Chep Building	KwaZulu-Natal	Office	3 337	<b>107 300</b>	3.6%
Westville Junction	KwaZulu-Natal	Retail	6 333	<b>103 600</b>	3.5%
Kim Park Shopping Centre	Northern Cape	Retail	7 620	<b>96 800</b>	3.2%
Southview Shopping Centre	Gauteng	Retail	8 949	<b>96 200</b>	3.2%

# ANNEXURE 3: FINANCIAL HIGHLIGHTS

		Jun-18	Jun-17	Jun-16	Jun-15
Distributable earnings	R' million	<b>186.95</b>	143.92	109.67	85.17
Interim distribution per linked unit	cents	<b>9.806</b>	8.953	8.171	7.427
Final distribution per linked unit	cents	<b>10.344</b>	9.380	8.489	7.679
Total distribution per unit	cents	<b>20.150</b>	18.333	16.660	15.106
Gearing (LTV)	%	<b>25.1</b>	22.4	29.7	18.0
% of fixed rate interest-bearing debt	%	<b>45.9</b>	87.1	57.7	73.2
Interest cover	times	<b>3.3</b>	3.1	3.5	5.0
Weighted average cost of funding	%	<b>9.2</b>	9.5	9.4	9.0
Weighted average maturity of debt	months	<b>17</b>	15	27	31
Weighted average maturity of fixes/swaps	months	<b>24</b>	18	27	31
Market capitalisation	R' million	<b>2 081.14</b>	1 540.16	1 020.31	1 078.99
Net asset value per share	cents	<b>227.78</b>	218.18	201.60	184.41
Share price	cents	<b>210</b>	195	155	180
Number of shareholders		<b>2 130</b>	1 771	1 614	1 608
Shares in issue					
Opening balance		<b>789 824 245</b>	658 261 805	599 438 276	527 636 276
Shares issued		<b>201 196 308</b>	131 562 440	58 823 529	71 802 000
Closing balance		<b>991 020 553</b>	789 824 245	658 261 805	599 438 276
Treasury shares		-	12 067	-	-

# ANNEXURE 4: PORTFOLIO OVERVIEW

		Jun-18	Jun-17	Jun-16	Jun-15
Number of properties		<b>44</b>	41	39	34
Valuation	R' million	<b>2 987.00</b>	2 204.42	1 925.10	1 361.78
Average value per property	R' million	<b>67.89</b>	53.77	49.36	40.05
Gross lettable area ("GLA")	m <sup>2</sup>	<b>237 965</b>	194 311	185 937	139 247
Average value per GLA	R/m <sup>2</sup>	<b>12 552</b>	11 345	10 355	9 780
Retail	%	<b>95.4</b>	94.7	92.4	89.3
Office	%	<b>4.6</b>	5.3	7.6	10.7
Vacancy	m <sup>2</sup>	<b>8 255</b>	9 094	7 060	6 058
Vacancy as percentage of GLA	%	<b>3.5</b>	4.7	3.8	4.4
Arrears (% of revenue)	%	<b>2.0</b>	2.4	1.9	1.9
Weighted average rental escalation	%	<b>7.4</b>	7.4	7.5	7.4
Retail	%	<b>7.4</b>	7.4	7.4	7.4
Office	%	<b>7.8</b>	7.7	7.8	7.7
Weighted average rental	R/m <sup>2</sup>	<b>112.50</b>	103.99	99.40	91.85
Retail	R/m <sup>2</sup>	<b>110.91</b>	101.81	97.95	89.81
Office	R/m <sup>2</sup>	<b>154.46</b>	137.77	117.19	108.69
Weighted average lease term	months	<b>32</b>	38	36	41