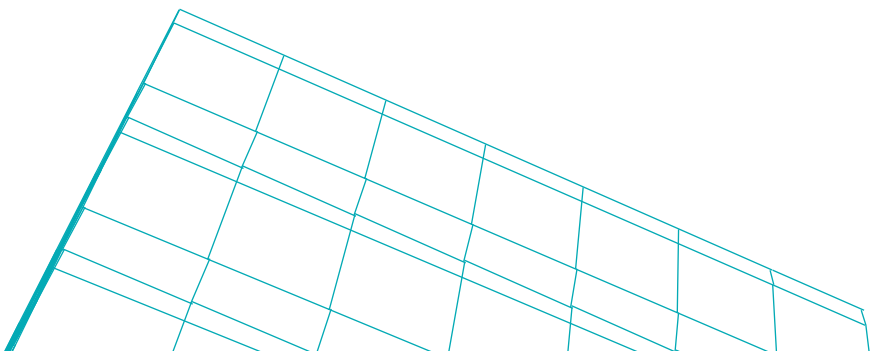
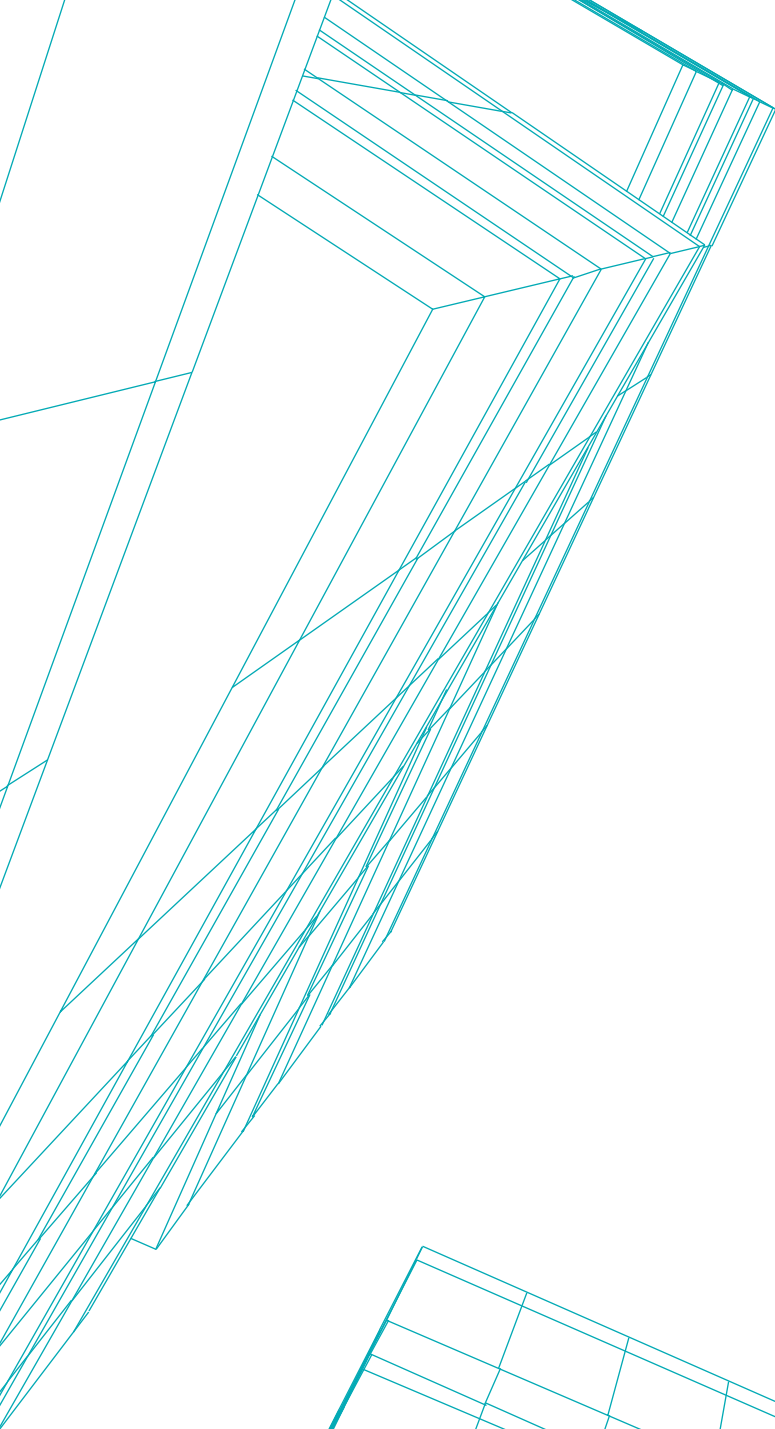


2018

AUDITED SUMMARISED CONSOLIDATED RESULTS
AND CASH DIVIDEND DECLARATION FOR THE
YEAR ENDED 30 JUNE 2018

FAIRVEST
PROPERTY HOLDINGS



HIGHLIGHTS

Top performing SA REIT with

17.9%

annualised total return to shareholders
for the 2018 financial year

Distribution for the year increased by

9.91%

to 20.150 cents per share

Total property portfolio increased by

35.5%

to R2.99 billion

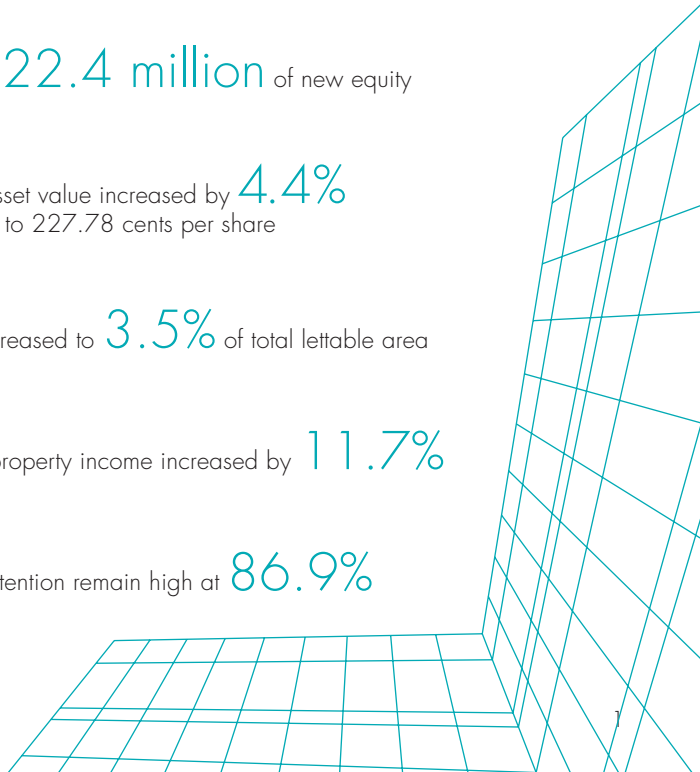
Raised **R422.4 million** of new equity

Net asset value increased by **4.4%**
to 227.78 cents per share

Vacancies decreased to **3.5%** of total lettable area

Like-for-like net property income increased by **11.7%**

Tenant retention remain high at **86.9%**



SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2018

	Audited 30 June 2018 R'000	Audited 30 June 2017 R'000
Assets		
Non-current assets	3 242 160	2 263 812
Investment property	2 928 514	2 157 747
Loans receivable	258 008	61 603
Investments	4 772	2 154
Office equipment	311	343
Operating lease asset	50 555	41 965
Current assets	82 815	54 110
Loans receivables	4 900	5 476
Amounts owing by non-controlling interests	5 980	–
Trade and other receivables	61 989	36 000
Cash and cash equivalents	9 943	12 634
Total assets	3 324 972	2 317 922
Equity and liabilities		
Equity attributable to owners of the company	2 257 385	1 723 218
Share capital	747 349	327 951
Retained earnings	1 510 036	1 395 267
Non-controlling interest	106 469	4 454
Total equity	2 363 854	1 727 672
Non-current liabilities	469 212	309 366
Interest-bearing borrowings	342 845	272 339
Amounts owing to non-controlling interests	112 788	23 756
Derivative financial instrument	2 073	4 404
Deposits received	10 836	8 395
Deferred taxation	670	472
Current liabilities	491 906	280 884
Interest-bearing borrowings	411 931	224 652
Trade and other payables	79 975	56 232
Total equity and liabilities	3 324 972	2 317 922

SUMMARISED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Audited 12 months to 30 June 2018 R'000	Audited 12 months to 30 June 2017 R'000
Revenue	404 257	331 142
Rental income – contractual	392 424	320 431
– straight-line adjustment	11 833	10 711
Other income	3 780	–
Property expenses	(143 293)	(121 690)
Net property income	264 744	209 452
Corporate administrative expenses	(25 046)	(19 393)
Operating profit	239 698	190 059
Fair value adjustment to investment properties	108 241	159 348
Fair value adjustment to derivatives	2 331	(2 459)
Fair value adjustment to investments	(7)	90
Finance costs	(77 876)	(53 091)
Finance and other investment income	27 175	9 420
Profit before capital expenses	299 562	303 367
Capital expenses	(5 605)	(557)
Profit before tax	293 957	302 810
Income tax	(198)	(191)
Total comprehensive income for the period	293 759	302 619
Profit and total comprehensive income for the period		
– Owners of the parent	273 289	299 234
– Non-controlling interest	20 470	3 385
	293 759	302 619

SUMMARISED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

FOR THE YEAR ENDED 30 JUNE 2018

	Audited 12 months to 30 June 2018 R'000	Audited 12 months to 30 June 2017 R'000
Reconciliation between profit attributable to shareholders, distributable earnings and headline earnings per share		
Comprehensive income attributable to owners of the parent	273 289	299 234
Fair value adjustment to investment properties (attributable to owners of the parent)	(93 474)	(157 283)
Headline and diluted headline profit attributable to shareholders	179 815	141 951
Distributable earnings calculation		
Net profit from property operations	264 744	209 452
Straightline rental income accrual	(11 833)	(10 711)
Corporate administrative expenses	(25 046)	(19 393)
Finance costs	(76 081)	(52 673)
Finance and other investment income	27 175	9 420
Share issued <i>cum</i> distribution	13 146	8 267
Non-controlling interest share of distribution	(5 159)	(443)
Distributable earnings	186 946	143 919
Distribution	186 946	143 919
Dividend		
Interim dividend per share (cents)	9.806	8.953
Final dividend declaration per share (cents)	10.344	9.380
Total dividend per share (cents)	20.150	18.333
Earnings per share		
Basic and diluted earnings per share (cents)	31.69	40.53
Headline and diluted headline earnings per share (cents)	20.85	19.23
Net asset value per share (cents)	227.78	218.18
Share statistics		
Shares in issue	991 020 553	789 836 312
Treasury shares	–	(12 067)
Effective shares in issue	991 020 553	789 824 245
Weighted average number of shares	862 248 577	738 319 633

SUMMARISED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

AS AT 30 JUNE 2018

	Share capital R'000	Retained earnings R'000	Equity attributable to owners of the company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 July 2016	105 332	1 221 747	1 327 079	1 081	1 328 160
Shares issued	224 494	–	224 494	–	224 494
Capital issue expenses	(1 852)	–	(1 852)	–	(1 852)
Acquisition of treasury shares	(23)	–	(23)	–	(23)
Dividends paid and declared	–	(125 714)	(125 714)	(12)	(125 726)
Total comprehensive income for the period	–	299 234	299 234	3 385	302 619
Balance at 30 June 2017	327 951	1 395 267	1 723 218	4 454	1 727 672
Shares issued	422 379	–	422 379	–	422 379
Capital issue expenses	(3 004)	–	(3 004)	–	(3 004)
Acquisition of treasury shares	(2)	–	(2)	–	(2)
Disposal of treasury shares	25	5	30	–	30
Acquisition of subsidiary with non-controlling interests	–	–	–	81 989	81 989
Dividends paid and declared	–	(158 525)	(158 525)	(444)	(158 969)
Total comprehensive income for the period	–	273 289	273 289	20 470	293 759
Balance at 30 June 2018	747 349	1 510 036	2 257 385	106 469	2 363 854

SUMMARISED CONSOLIDATED STATEMENTS OF CASH FLOWS

AS AT 30 JUNE 2018

	Audited 12 months to 30 June 2018 R'000	Audited 12 months to 30 June 2017 R'000
Cash generated from operations	213 511	182 446
Finance costs	(69 873)	(50 786)
Finance and other investment income	2 500	1 631
Dividends paid	(158 517)	(125 136)
Cash inflow from operating activities	(12 379)	8 155
Acquisitions of and improvements to investment property	(249 662)	(151 265)
Development of investment property	(78 037)	–
Acquisition of subsidiary	(81 586)	–
Acquisition of investment	(2 625)	–
Acquisition of office equipment	(69)	–
Cash outflow to investing activities	(411 979)	(151 265)
Net interest-bearing borrowings advanced/(repaid)	97 769	(78 004)
Net amounts owing to non-controlling interests raised	75 914	8 291
Net advances to loans receivable	(171 419)	(7 078)
Proceeds from issue of share capital	419 375	222 642
Repurchase of treasury shares	(2)	(23)
Proceeds from disposal of treasury shares	30	–
Cash inflow from financing activities	421 667	145 828
Net (decrease)/increase in cash and cash equivalents	(2 691)	2 718
Cash and cash equivalents at beginning of period	12 634	9 916
Cash and cash equivalents at end of period	9 943	12 634

CONDENSED CONSOLIDATED SEGMENT REPORT

	KwaZulu- Natal	Western Cape	Gauteng	Free State	Northern Cape	Limpopo	Eastern Cape	Mpumalanga	Reconciling items/ (Eliminations)	Total
FOR THE YEAR ENDED										
30 JUNE 2018										
Revenue – external customers	103 138	77 289	69 372	50 816	39 121	20 913	21 256	10 519	–	392 424
Operating profit	74 055	50 146	49 240	32 762	21 583	14 124	16 110	6 724	(25 046)	239 698
Total assets	801 520	547 216	746 040	332 620	220 280	137 067	157 280	67 174	315 774	3 324 971
FOR THE YEAR ENDED										
30 JUNE 2017										
Revenue – external customers	70 689	66 944	44 794	47 737	37 415	20 089	21 191	11 572	–	320 431
Operating profit	56 307	45 265	24 713	27 208	19 845	14 045	16 144	5 925	(19 393)	190 059
Total assets	603 980	477 613	296 230	311 473	200 229	131 543	142 918	63 940	89 996	2 317 922

OTHER SEGMENTAL INFORMATION

	Audited 30 June 2018	Audited 30 June 2017
Regional profile based on leasable area		
Gauteng	25.0%	15.5%
KwaZulu-Natal	23.8%	22.4%
Western Cape	17.8%	20.9%
Free State	12.5%	15.4%
Northern Cape	7.3%	9.2%
Eastern Cape	6.8%	8.3%
Limpopo	4.8%	5.9%
Mpumalanga	2.0%	2.4%
Vacancy profile based on gross lease area		
Gross lease area in metres squared as at end of period	237 965	194 311
Properties held	44	41
Vacancy area in metres squared	8 255	9 094
Vacancy area as % of gross lease area	3.5%	4.7%
Regional vacancy profile (m²) (regions where vacancies are located)		
Gauteng	3 743	2 327
Western Cape	2 122	1 690
KwaZulu-Natal	1 002	1 467
Free State	721	2 425
Northern Cape	611	483
Limpopo	50	652
Eastern Cape	6	–
Mpumalanga	–	50

NOTES TO SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The preparation of these audited summarised consolidated financial statements was supervised by the Chief Financial Officer, BJ Kriel CA(SA).

The accounting policies applied in the preparation of these audited summarised consolidated results for the year ended 30 June 2018, which are based on reasonable judgements and estimates, are in accordance with International Financial Reporting Standards ("IFRS") and are consistent with those applied in the annual financial statements for the year ended 30 June 2017. Any other new and amendments to IFRS and IFRIC interpretations did not impact on the financial position or performance of the company but has resulted in additional disclosures. These audited summarised consolidated results, as set out in this report, have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and containing the information required by IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Council, the Companies Act of South Africa, No. 71 of 2008, as amended ("Companies Act") and the Listings Requirements of JSE Limited.

This announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34. The full Annual Financial Statements is available at the company's registered office upon request.

In terms of IAS 39: Financial Instruments: Recognition and measurement and IFRS 7, the group's interest rate derivatives are measured at fair value through profit or loss and are categorised as level 2 investments. Interest rate derivatives are valued using discounted cash flow techniques and observable market interest rates off the interest rate yield curve. There were no transfers between levels 1, 2 and 3 during the period.

The revaluation of investment property requires judgement in the determination of future cash flows from leases. An appropriate capitalisation rate which varies between 9.25% and 10.75%, with a discount rate of between 14.00% and 15.25% was used.

Changes in the capitalisation and discount rates are attributable to changes in market conditions and can have a significant impact on the property valuations. A 25 basis points decrease in the capitalisation rate will increase the value of investment property by R50.9 million. A 25 basis points increase in the discount rate will decrease the value of investment property by R23.6 million.

These audited summarised consolidated results for the year ended 30 June 2018 have been prepared in accordance with the historic cost basis, except for the measurement of investment properties and certain financial assets and financial liabilities which are stated at fair value.

The financial results are presented in Rands, which is Fairvest's functional and presentation currency and have been prepared on a going-concern basis.

NOTES TO SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (continued)

AUDIT REPORT

The audited summarised consolidated results for the year ended 30 June 2018 set out in this announcement, have been extracted from the group's consolidated annual financial statements which have been audited by BDO South Africa Inc, but are not themselves audited. A copy of their unmodified audit opinion is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

The directors take full responsibility for the preparation of the audited summarised consolidated results presented and that the financial information has been correctly extracted from the underlying financial statements.

ESTIMATES AND CRITICAL JUDGEMENTS

Except for the measurement of investment properties, and certain financial assets and financial liabilities the financial statements do not include any material estimates.

BUSINESS COMBINATION

Shareholders are referred to the detailed SENS announcement on 19 December 2017 regarding the subscription of shares by the company in Bara Precinct Proprietary Limited ("**Bara Precinct**"). On 18 December 2017, the company subscribed for 50.17% of the shares in Bara Precinct, obtaining control and Bara Precinct became a subsidiary of the company.

Bara Precinct owns five and leases two immovable properties in Diepkloof, Soweto. The transaction is in line with Fairvest's strategy of acquiring assets servicing the lower living standards measure (LSM) market, located in non-metropolitan areas, as well as rural, convenience and community shopping centres located in high-growth nodes, close to commuter networks, with a view to providing shareholders with attractive returns and distinctive, diversified opportunities.

The subscription consideration to the value of R82.5 million was cash paid on 18 December 2017.

ASSETS ACQUIRED AND LIABILITIES ASSUMED

The fair values of the identifiable assets and liabilities of Bara Precinct at the date of acquisition were:

	Fair value at acquisition R'000
ASSETS	
Investment property	322 435
Trade and other receivables	180 491
Cash and cash equivalents	951
TOTAL ASSETS	503 877
LIABILITIES	
Interest-bearing borrowings	157 633
Trade and other payables	181 718
TOTAL LIABILITIES	339 351
Total identifiable net asset value	164 526
Non-controlling interest	(81 989)
Goodwill	–
Subscription consideration paid 18 December 2017 in cash	82 537
Cash flow on acquisition	
Net cash acquired with subsidiary	951
Cash paid	(82 537)
Net cash outflow on acquisition	(81 586)

The fair value of the investment properties and the non-controlling interest at acquisition were calculated utilising the capitalisation rate method.

Transaction costs of R3.4 million were incurred on the acquisition and have been recognised in profit or loss.

From the date of acquisition, the Bara Precinct transaction contributed R18.1 million to contractual rental income and R17.9 million to the comprehensive income attributable to shareholders. If the acquisition had taken place at the beginning of the reporting period, rental income would have been R49.4 million and comprehensive income attributable to shareholders for the group would have been R2.2 million for the reporting period.

COMMENTARY

INTRODUCTION

Fairvest is a Real Estate Investment Trust ("REIT"), with a unique focus on retail assets weighted toward non-metropolitan and rural shopping centres, as well as convenience and community shopping centres servicing the lower LSM market, in high-growth nodes, close to commuter networks. The Fairvest property portfolio consists of 44 properties, with 237 965m² of lettable area and valued at R2.99 billion.

REVIEW OF RESULTS

Fairvest's board of directors is pleased to announce a 10.28% increase in the final dividend distribution to 10.344 cents per share for the six months ended 30 June 2018, which brings the total combined dividend for the year to 20.150 cents per share, resulting in a 9.91% increase from the previous year and maintaining distribution growth within the issued guidance of 9% to 10%.

	Interim	Final	Total
Jun 14	6.750	6.970	13.720
Jun 15	7.427	7.679	15.106
Jun 16	8.171	8.489	16.660
Jun 17	8.953	9.380	18.333
Jun 18	9.806	10.344	20.150

Revenue increased by 22.1% to R404.3 million, as a result of income growth in the historic portfolio, as well as acquisitions during the period. Net profit from property operations increased by 26.4% to R264.7 million, while corporate administration expenses increased by 29.1% to R25.0 million. Distributable earnings increased by 29.9% to R186.9 million.

A strong focus remains on cost containment and efficient recoveries of municipal charges, which improved the net property expense ratio (expenses net of utility recoveries) to 13.0% compared to 15.5% for the previous financial year. Certain municipal expenses provided for in the previous financial years, that were lower than anticipated also contributed to the large improvement. Gross cost to income ratio reduced from 37.6% to 36.4%.

The weighted average contractual escalation for the portfolio remained unchanged at 7.4%. Gross rentals across the portfolio trended upwards, with a 7.9% increase in the weighted average rental to R112.50/m² at 30 June 2018 compared to R103.99/m² at 30 June 2017. This was as a result of a significant increase in rental achieved on new leases, slightly offset by a 6.9% increase on renewals. The weighted average retail rental increased to R110.91/m².

The net asset value increased by 31.0% to R2.26 billion compared to R1.72 billion at 30 June 2017. On a per share basis, this equates to 227.78 cents per share, or an increase of 4.4%.

NET ASSET VALUE AND MARKET CAPITALISATION

	Market capitalisation R'million	Net asset value R'million	Net asset value per share (cents)
Jun 14	733.4	838.9	159.00
Jun 15	1 079.0	1 105.4	184.40
Jun 16	1 020.3	1 327.1	201.60
Jun 17	1 540.2	1 723.2	218.18
Jun 18	2 081.1	2 257.4	227.78

PROPERTY PORTFOLIO

The value of the property portfolio increased by 35.5% from R2.20 billion at 30 June 2017 to R2.99 billion. The growth is attributable to the Bara Precinct transaction at R322.4 million, acquisitions to the value of R181.4 million, the development of Southview Shopping Centre to the value of R92.9 million, together with capital expenditure incurred of R65.8 million. The historic portfolio increased by 7.4% compared to 30 June 2017. Asset quality continues to improve, with the average value per property increasing by 26.3% to R67.8 million, and the average value per square metre increased by 13.9% to R12 552/m².

PORTFOLIO VALUATION HISTORY

	Valuation R'million	Average value per property R'million	Value per m ² R
Jun 14	1 109.1	34.7	8 836
Jun 15	1 361.8	40.1	9 780
Jun 16	1 925.1	49.4	10 355
Jun 17	2 204.4	53.8	11 345
Jun 18	2 987.0	67.9	12 552

In line with the accounting policy of the group, at least a third of the portfolio was valued by independent external valuers. Of the 44 properties in the portfolio, 15 properties equating to 37.3% by value, were valued by independent valuers, DDP Valuers, De Leeuw Valuers and Jones Lang LaSalle, with the remainder valued by the directors. All properties are valued by independent external valuers at least every three years. The properties are valued using a combination of a five-year discounted cash flow and the income capitalisation method. Assumptions are made on the discount rates used to determine the present value of the cash flows and on the capitalisation rate on an assumed sale. The weighted average discount rate used was 14.7% compared to 15.0% in 2017 and the weighted average capitalisation rate used remained unchanged at 10.2%.

COMMENTARY (continued)

ACQUISITIONS

Shareholders are referred to Fairvest's various SENS announcements, regarding certain acquisitions by the company. Three new properties were obtained during the period.

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

* The property was acquired in a newly incorporated subsidiary FPP Property Ventures 102 Proprietary Limited of which Fairvest owns 51% of the shares.

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

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

DEVELOPMENT OF SOUTHVIEW SHOPPING CENTRE

As communicated to shareholders on 8 November 2017, Fairvest entered into a strategic relationship with Abland Proprietary Limited ("Abland") in a newly incorporated subsidiary, Southview Shopping Centre Proprietary Limited, of which Fairvest owns 50% of the shares. A vacant plot of land was acquired in Soshanguve, Gauteng to develop a 7 620m² shopping centre, anchored by Shoprite. Abland will guarantee a 10% commencement yield on the development, for five years escalating at 7% annually. Practical completion was achieved on 18 June 2018. The total development cost on the project amounted to R92.9 million and the property was valued at R96.8 million at 30 June 2018.

VALUE CREATION

The Shoprite extension and redevelopment at Macassar Shopping Centre was completed during the year, with capital expenditure to the value of R28.1 million being incurred.

At Middestad Mall phase 1 of the redevelopment was completed, which included upgrading the lighting, ceilings and walkways on the ground-floor retail section. The complete redevelopment of the first floor also commenced during the year and is expected to complete by October 2018. Total capital expenditure incurred to date amounted to R18.9 million, with a further R25 million expected to be incurred.

PORTFOLIO COMPOSITION, LETTING AND VACANCIES

TENANT COMPOSITION AS A PERCENTAGE OF GLA

A-grade tenants	74.4%
B-grade tenants	7.0%
C-grade tenants	18.6%

A – Anchor and national tenants (48.5% are occupied by the top 10 largest tenants)

B – Franchise, professional and large tenants

C – Other

The portfolio remains well diversified across South Africa, with the four largest provinces, KwaZulu-Natal, Western Cape, Free State and Gauteng contributing 76.6% of revenue. The high national tenant component of 74.4% of the portfolio provides shareholders with a low risk investment profile, with national food retailers occupying 33.8% of the portfolio.

Vacancies decreased from 4.7% to 3.5% or 8 255m² during the year, mainly as a result of the letting of vacancies at Middestad Mall, Clubview and Masingita, partly offset by new vacancies at The Palms and Bara Precinct.

LEASE EXPIRY PROFILE

	Based on rentable area	Based on gross rental
Vacant	3.5%	0.0%
Monthly	7.5%	8.0%
Jun 19	16.0%	17.9%
Jun 20	20.5%	23.5%
Jun 21	16.5%	16.6%
Jun 22	11.1%	10.1%
After Jun 23	24.9%	23.9%

During the period under review, 108 new leases were concluded with a total GLA of 11 513m². Fairvest successfully renewed 26 497m² of leases, with a positive reversion of 6.9% being achieved on these renewals. Tenant retention for the period was 86.9%, an improvement from the 72.8% for the previous financial year. The weighted average lease term decreased from 38 to 32 months.

COMMENTARY (continued)

CAPITAL RAISING ACTIVITIES

On 2 November 2017, Fairvest placed 58 974 359 new ordinary shares through a combination of a vendor consideration placement and a general issue of shares for cash at an issue price of R1.95 per share, raising R115.0 million of new equity.

Shareholders are referred to the company's SENS announcements dated 9 October 2017 and 9 April 2018, regarding the issuing of 12 289 474 and 16 284 045 new ordinary shares which were issued through the dividend reinvestment alternative. The shares were issued at R1.90591 and R2.08524 per share respectively resulting in the retention of R57.4 million of equity.

On 25 April 2018, Fairvest placed 113 636 363 new ordinary shares through a combination of a vendor consideration placement and a general issue of shares for cash at an issue price of R2.20 per share, raising R250.0 million of new equity.

BORROWINGS

The loan to value ("LTV") ratio increased to 25.1% (2017: 24.4%) due to the acquisitions during the period, partially offset by the capital raised. LTV is calculated as total interest-bearing debt divided by total property assets. Of the debt 45.9% was fixed through swaps as at 30 June 2018, with a weighted average expiry for the fixed debt of 24 months. The various floating rate loans advanced at 30 June 2018, improves the effective hedged position to 80.4%.

The weighted average all-in cost of funding decreased to 9.16% (2017: 9.46%). The weighted average maturity of debt increased from 15 months to 17 months. Discussions on the renewal of various expiring facilities are in progress with funders and we expect the maturity profile of debt to improve and available facilities to increase during the next financial year.

PROSPECTS

The company will continue to provide shareholders with exposure to attractive retail assets servicing an underserved, non-metropolitan and lower LSM market. Against the backdrop of a lacklustre economic outlook for South Africa, we expect to see weaker trading performance from our tenants. In spite of macroeconomic headwinds, the portfolio with its low-risk tenant base remains well positioned to continue to achieve strong sustainable property growth. We will remain conservatively geared and continue our endeavours to improve the fixed portion of debt to minimise the impact of interest rate increases. Management expects distribution growth of between 8% and 10% for the 2019 financial year.

This view assumes no material deterioration in the macroeconomic environment relative to current levels, that no major corporate failures will occur and that tenants will be able to absorb increases in municipal and utility costs. Forecast rental income is based on contractual lease terms and anticipated market-related renewals. This forecast is the responsibility of the board of Fairvest and has not been reviewed or reported on by the auditors.

DIVIDEND WITH ELECTION TO REINVEST

The board has approved and declared a final gross distribution of 10.344 cents per share for the six-month period ended 30 June 2018, payable to shareholders registered as such at the close of business on Friday, 5 October 2018.

Shareholders will be entitled, in respect of all or part of their shareholdings, to elect to reinvest the cash dividend of 10.344 cents per share, in return for new Fairvest ordinary shares ("**Reinvestment Alternative**"), failing which they will receive the cash dividend.

Further details regarding the dividend and Reinvestment Alternative, including the tax treatment and a detailed timetable, will be included in a separate SENS announcement, to be released today, 4 September 2018.

In accordance with Fairvest's status as a REIT, shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 (Income Tax Act). The dividends on the shares will be deemed to be taxable dividends for South African tax purposes in terms of section 25BB of the Income Tax Act.

SUBSEQUENT EVENTS

The acquisition of the Libode Shopping Centre to the value of R49 million was concluded on 29 August 2018. The property will be acquired in a newly incorporated subsidiary, FPP Property Ventures 120 Proprietary Limited of which Fairvest owns 55%. The directors of Fairvest are not aware of any material matters or circumstances arising between 30 June 2018 and this report which may materially affect the financial position of the group or the results of its operation.

APPRECIATION

We extend our appreciation to our directors, management and staff for their valued efforts as well as our advisers and shareholders for their continuing belief in and support of Fairvest.

For and on behalf of the board

Fairvest Property Holdings Limited

3 September 2018

Cape Town

FAIRVEST PROPERTY HOLDINGS LIMITED

(Incorporated in South Africa)

(Registration number 1998/005011/06)

("Fairvest" or "the company" or "the group")

Share code: FVT

ISIN: ZAE000203808

Granted REIT status by the JSE

EXECUTIVE DIRECTORS

DM Wilder (*Chief executive officer*)

BJ Kriel (*Chief financial officer*)

AJ Marcus (*Chief operating officer*)*

*Alternate to DM Wilder

NON-EXECUTIVE DIRECTORS

JF du Toit (*Chairman*)

LW Andrag (*Lead independent director*)#

KR Moloko# (Resigned on 31 July 2018, with effect from 3 September 2018)

N Mkhize#

JD Wiese#

TJ Cohen#

Independent

COMPANY SECRETARY

Fluidrock Co Sec Proprietary Limited (Appointed 15 August 2018)

REGISTERED OFFICE

8th Floor, The Terraces, 34 Bree Street, Cape Town, 8001

Postnet Suite 30, Private Bag X3, Roggebaai, 8012

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue, Rosebank

Johannesburg, 2196

PO Box 61051, Marshalltown, 2107

AUDITOR

BDO South Africa Incorporated

Registered Auditors

SPONSOR

PSG Capital Proprietary Limited

ANNOUNCEMENT DATE

4 September 2018

