REBOSIS PROPERTY FUND LIMITED
Incorporated in the Republic of South Africa
(Registration number: 2010/003468/06)
JSE share codes:
REA ISIN: ZAE000240552
REB ISIN: ZAE000201687
Alpha code: REBI
(Approved as a REIT by the JSE)
("**Rebosis**" or the "**Company**")

TRADING UPDATE REGARDING DIVIDEND AND GUIDANCE PROVIDED

Shareholders are referred to the release of the Company's reviewed provisional results for the year ended 31 August 2018 on Monday, 12 November 2018, upon which Grant Thornton Johannesburg Partnership expressed an unmodified review conclusion, and the results presentation which can be found on the website (www.rebosis.co.za). The Company indicated that it was not in a position to provide forward guidance until such time as it had clarity on New Frontier Properties Limited ("**NFP**").

Rebosis is encouraged by the possible Brexit deal, which can only bode well for an improved future for its NFP investment, but has taken a decision to exclude all income therefrom in order to provide Rebosis shareholders with a clean base that has no NFP overhang to the Company's core South African income. To confirm, the Company will not be providing any further capital commitments to NFP for the foreseeable future.

Shareholders are therefore hereby advised that the guidance below excludes all the income received from NFP, for the foreseeable future. This includes dividends, interest on the loan to NFP and interest on the vendor loan ("**Vendor Loan**") to the B-BBEE Consortium.

These exclusions, together with non-recurring items of income and expenditure included in the year ended 31 August 2018 distribution, will result in expected distributable income for the year ending 31 August 2019 being 26% to 30% down compared to the prior year.

The dividend per Rebosis A ordinary share ("**A Share**") will continue to attract a guaranteed distribution growth of 5%. The dividend per Rebosis ordinary share ("**B Share**") for the year ending 31 August 2019 is therefore expected to be between 57.55 and 53.84 cents per B Share, being 38% to 42% lower than the 92.83 cents per B Share for the comparative year ended 31 August 2018.

This guidance above is based on, *inter alia,* the following key details and assumptions:

1. Net Property Income growth of 4% to 5%, post the Boxwood disposal;
2. Rental warranties of R85 million included in FY18 have lapsed, and will be replaced with R20 million to R25 million income on new lets;
3. Corporate and administrative costs growth of 6%;
4. Exclusion of R160 million NFP income accounted for in FY18, comprising of:
   4.1 H1 2018 dividend of R29.2 million;
   4.2 Interest on Vendor Loan of R112.6 million; and
   4.3 Interest on loan of R18 million;
5. Exclusion of H1 2018 Cross-Currency Swaps capital profit of R51 million; and
6. Additional 17.7 million B Shares to be issued in FY19 in respect of the deferred payment liability, which is expected to be R200 million.

Distribution per share for the year ending 31 August 2020 is expected to grow at 5% for the A Shares and between 3% and 6% for the B Shares.

The South African property portfolio fundamentals remain relatively strong, despite the tough trading conditions. Earnings would have shown positive growth were it not for the NFP investment, dilutive retail asset acquisitions and lapsing rental warranties. Management of this portfolio remains hands on, having historically shown positive income growth year after year, with key focus being on letting, collections and cost control, given management's core competencies and experience in retail asset management.

The Company has made significant progress in letting the vacancies at the new malls of Baywest and Forest Hill with some 2 514m^2 and 2 580m^2 of new space let in the last two months, respectively, representing c.39% of vacant space in both malls.

The Company is proactively engaging with government, on the implementation of the Property Empowerment Policy and lease renewal programme. The letting of the office and government-let space is progressing well and the Company expects to conclude long term leases on most renewals.

The restructure of the balance sheet through disposals of non-core assets, as previously announced, is progressing well. These planned disposals will assist in reducing the Loan to Value in line with the road map and target of below 40%.

The Company is further assessing opportunities, to unlock value for shareholders, in light of the above earning impact and will be communicating to the market accordingly.

The above information has not been reviewed or reported on by Rebosis' auditors.

28 November 2018

Equity and Debt Sponsor
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