

**RESILIENT REIT LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2002/016851/06)  
JSE share code: RES ISIN: ZAE000209557  
Bond company code: BIRPIF  
(Approved as a REIT by the JSE)  
(“Resilient” or “Company” or “the Group”)



## SHORT-FORM ANNOUNCEMENT: CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2019

### NATURE OF THE BUSINESS

Resilient is an internally asset managed Real Estate Investment Trust (“REIT”) listed on the JSE Limited. Its strategy is to invest in dominant regional retail centres with a minimum of three anchor tenants and let predominantly to national retailers. A core competency is the successful development of new malls and extensions to existing malls.

Resilient also invests in listed and offshore property-related assets.

### DIVIDENDS DECLARED FOR 2019

The Board has declared a final dividend of 267,40 cents per share for the six months ended June 2019. Together with the 263,66 cents per share declared for the interim period, the total dividend for the 2019 financial year amounts to 531,06 cents per share.

The year-on-year dividends declared are not comparable as a result of the distribution of Fortress B shares to Resilient shareholders in May 2018 and as a consequence there is no income relating to those shares in the current year. If the effect of the Fortress B distribution in the prior year is eliminated, the dividends for 2019 increased by 3,3%.

### FINANCIAL PERFORMANCE

	Note	Audited for the year ended June 2019	Audited for the year ended June 2018	Movement
IFRS information				
Total revenue (R'000)	A	3 805 964	3 866 904	(60 940)
Basic earnings/(loss) per share (cents)	B	1 246,14	(900,37)	2 146,51
Headline earnings/(loss) per share (cents)	B	468,87	(2 016,38)	2 485,25
Dividend (cents per share)		531,06	565,44	(34,38)
Net asset value per share (R)		69,32	61,49	7,83
Management account information				
Net asset value per share (R)		69,39	66,18*	3,21
Loan-to-value ratio (%)	C	26,8	30,1	(3,3)
Net property expense ratio (%)		16,1	16,8	(0,7)
Gross property expense ratio (%)		35,6	35,0	0,6
Net total expense ratio (%)		16,2	15,9	0,3
Gross total expense ratio (%)		31,4	29,3	2,1

\* The Group’s claims against The Siyakha Education Trust and The Siyakha 2 Education Trust (the “Siyakha Trusts”) exceeded the value of the shares held as collateral. Under these circumstances, for calculating the net asset value per Resilient share, the total equity attributable to equity holders should be reduced by the loans the Group advanced to the Siyakha Trusts. The shares held by the Siyakha Trusts should then be deducted from the number of shares in issue in the calculation.

Note A: Total revenue includes dividends received from Fortress A and Fortress B shares held by Resilient and the Siyakha Trusts of R232 million (Jun 2018: R637 million). Resilient distributed its Fortress B shares to its shareholders in May 2018 and the Siyakha Trusts disposed of Fortress A shares resulting in the reduction in dividends received during the 2019 financial year.

Note B: The significant movement in basic and headline earnings can be attributed to the following items:

– In June 2019 shareholders approved the repurchase of 52 182 504 Resilient shares and the acquisition of 7 474 707 Fortress B shares, held as collateral for the loans previously advanced by Resilient to the Siyakha Trusts, in full settlement of these loans. The Siyakha Trusts and The Resilient Empowerment Trust no longer hold any Resilient shares and have no liability to Resilient. The

Siyakha Trusts were deconsolidated in June 2019 resulting in a profit on deconsolidation of R2,4 billion, being the reversal of the negative net asset value of the trusts' positions relating to Fortress.

- In July 2017 the investment in Rockcastle, equity accounted at the time, was sold as a consequence of the merger between NEPI and Rockcastle resulting in a profit on sale of interest in associate of R3,5 billion being recorded in the prior year.
- As a result of the movement in share prices, a fair value gain of R144 million was recorded at Jun 2019 compared to the fair value loss of R9,3 billion at Jun 2018.

Note C: The loan-to-value ratio is calculated by dividing total interest-bearing borrowings adjusted for cash on hand by the total of investments in property, listed securities and loans advanced.

## PROPERTY PERFORMANCE

Resilient owns 28 retail centres in South Africa with a GLA of 1,17 million square metres and three retail centres in Nigeria with a GLA of 29 908 square metres.

The operational performance of the portfolio was sound, with the South African portfolio recording sales growth of 5,0% and net property income growth of 5,1% on a comparable basis (Limpopo Mall, excluding its taxi centre component, Mams Mall and The Crossing Mokopane were excluded while the rental concession to Edcon of R11,1 million was included).

Jones Lang LaSalle Proprietary Limited (“JLL”) valued the South African property portfolio at June 2019. Resilient’s share of the South African portfolio was revalued upwards by 2,0% (R453,8 million). Resilient’s share of the devaluation of the Nigerian properties amounted to USD2,4 million, as valued by CBRE Excellerate.

Resilient’s *pro rata* share of the South African vacancy was 1,8% at June 2019. Mams Mall (50% owned), which was 10,9% vacant at December 2018, was 4,5% vacant at year-end. Vacancies in the Nigerian portfolio increased to 8,1% at year-end due to the eviction of a national furniture retailer that was in arrears. This space is being reconfigured into smaller units and is expected to be let at higher rentals.

## SPECIAL COMMITTEE FEEDBACK

The special committee was established in September 2018 following receipt of a letter signed by 10 institutions. The committee met nine times during the year in addition to hosting separate meetings with 16 stakeholders. During these meetings, all parties were requested to provide more information on the allegations made. No substantiating evidence has been made available to the Board by these stakeholders, through the whistle-blower hotline or any other avenue. A comprehensive update was provided to stakeholders via SENS announcements on 13 December 2018 and 28 May 2019. The committee noted the announcement by the Financial Sector Conduct Authority (“FSCA”) in March 2019 that it has closed its insider trading investigation relating to transactions in Resilient shares. The committee considers the only remaining open matters to be the FSCA investigations of market manipulation in Resilient shares and that of possible false, misleading or deceptive statements relating to Resilient, including those arising from third-party commentary and reports. The committee remains committed to full transparency in addressing any findings that may impact the Company or its stakeholders.

## PROSPECTS

The Group has in the past been successful in acquiring quality assets at attractive yields in distressed markets. Resilient’s conservative gearing and access to funding place the Group in a strong position to take advantage of investment opportunities. The Board’s decision not to distribute the 40,9% basic rental from Edgars, Edgars Beauty, Mac and Jet stores will reduce distribution for the 2020 financial year by approximately R44 million (approximately 12 cents per share based on the current number of shares in issue).

Resilient’s distribution is forecast to increase by approximately 5% for the next financial year. The growth is based on the assumptions that there is no further deterioration of the macro-economic environment, that no major corporate failures will occur and that tenants will be able to absorb the recovery of rising utility costs and municipal rates. The forecast also assumes that Lighthouse Capital and NEPI Rockcastle will achieve distributions in line with market expectations. This forecast and prospects have not been audited, reviewed or reported on by Resilient’s auditors.

## PAYMENT OF FINAL DIVIDEND

The Board has approved and notice is hereby given of a final dividend of 267,40000 cents per share for the six months ended 30 June 2019.

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

	2019
Last date to trade <i>cum</i> dividend:	Tuesday, 3 September
Shares trade <i>ex</i> dividend:	Wednesday, 4 September
Record date:	Friday, 6 September
Payment date:	Monday, 9 September

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 September 2019 and Friday, 6 September 2019, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to the CSDP accounts/broker accounts on Monday, 9 September 2019. Certificated shareholders' dividend payments will be posted on or about Monday, 9 September 2019.

This short-form announcement is the responsibility of the directors and the contents have been approved by the Board on 15 August 2019. This short-form announcement is a summary of the full announcement released on SENS, and published on 16 August 2019 and does not include full or complete details. The information regarding the tax treatment of the dividend is included in the full announcement. The short-form announcement has not been audited or reviewed by the Company's external auditors. The full announcement is available on the Company's website at [www.resilient.co.za](http://www.resilient.co.za) and can be accessed using the following JSE link:

<https://senspdf.jse.co.za/documents/2019/jse/isse/RESE/2019FYRes.pdf>.

The full announcement is available for inspection at the registered offices of the Company or its sponsor, at no charge, during office hours from Friday, 16 August 2019 to Friday, 23 August 2019. Any investment decision should be based on the full announcement available on the Company's website.

#### **By order of the Board**

Alan Olivier  
*Chairman*

Des de Beer  
*Chief executive officer*

Nick Hanekom  
*Chief financial officer*

Johannesburg  
16 August 2019

---

#### **Directors**

Alan Olivier (*chairman*); Stuart Bird; David Brown; Thembi Chagonda; Des de Beer\*; Andries de Lange\*; Des Gordon; Nick Hanekom\*; Johann Kriek\*; Dawn Marole; Protas Phili; Umsha Reddy; Barry van Wyk (*\*executive director*)

#### **Company secretary**

Monica Muller CA(SA)

#### **Registered address**

4<sup>th</sup> Floor Rivonia Village, Rivonia Boulevard, Rivonia, 2191

#### **Transfer secretaries**

Link Market Services South Africa Proprietary Limited 13<sup>th</sup> Floor, 19 Ameshoff Street, Braamfontein, 2001

#### **Sponsor**

Java Capital, 6A Sandown Valley Crescent, Sandton, 2169