

News release

14 August 2019

FAIRVEST WITHDRAWS BID TO MERGE WITH SAFARI

Cape Town, 14 August 2019. Fairvest Property Holdings Limited (“Fairvest”) today announced that it has elected, by mutual agreement, to not proceed with its friendly merger with Safari Investments RSA Limited (“Safari”).

Chief Executive Officer, Darren Wilder said: *“We undertook a thorough due diligence of the Safari operations and are convinced that a merger would have created a specialised, lower LSM retail only focused fund with R6 billion worth of assets, a proposition which is in line with fund managers’ strategies for property funds to consolidate, specialise and create liquidity. We expected that, provided we delivered performance, the merged entity would have been rerated with additional support from its inclusion in the SA REIT and ALPI indices, ultimately driving long-term value.”*

“We are known in the marketplace to be disciplined buyers with a well-defined valuation framework that sets key financial hurdles for transactions. We believe that increasing our bid to match an offer that equates to a less than 8% equity yield for the Safari assets would not have been beneficial to Fairvest shareholders. Our deal-making team is experienced and resilient and deals with potential transactions on a continuous basis. It is critical that we maintain our discipline to only pursue transactions that ensure value creation for our shareholders over the long term.

Wilder said that Fairvest has differentiated itself through performance rather than size, however he said that these were attractive retail assets that service the lower LSM market and long term would be a loss for the listed investment landscape.

Fairvest will continue to pursue acquisitions at the right price and will not drift from its communicated investment strategy. Fairvest has been one of the best performing property stocks in the South African market, delivering inflation-beating dividend growth for more than six years.

The company will announce its annual results on 5 September 2019 and has indicated in its interim results that it expects full-year results to be in line with market guidance.

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Contacts:

Darren Wilder
Chief Executive Officer – Fairvest Property Holdings Limited
082 978 88 88

For more details or to set up a media interview, please contact:

Lydia du Plessis
Investorsense
Cell: 082 491 7583
e-mail lydia@investorsense.co.za

Note to editor:**About Fairvest Property Holdings (JSE share code FVT)**

Fairvest maintains a distinctive focus on retail assets weighted toward non-metropolitan and rural shopping centres, as well as convenience and community shopping centres servicing the lower income market in high growth nodes, close to commuter networks. The Fairvest property portfolio consists of 45 properties, with 241 214m² of lettable area valued at R3.14 billion (at 31 December 2018). The portfolio is well diversified across South Africa, with a regional income split of KwaZulu-Natal (24%), Western Cape (18%), Gauteng (24%), Free State (12%), Northern Cape (9%), Limpopo (5%), Eastern Cape (6%) and Mpumalanga (2%). The high national tenant component of 74.8% of the portfolio provides shareholders with a low risk investment profile, with national food retailers occupying 34.1% of the portfolio.