





# UNAUDITED INTERIM RESULTS AND DISTRIBUTION ANNOUNCEMENT

For the six months ended 31 December 2017 (continued)

## 2. NOTES TO THE FINANCIAL RESULTS (continued)

### 2.8 Interest-bearing borrowings

Expiry	31.12.2017 Unaudited		30.06.2017 Audited	
	Utilised facility N\$'000	Weighted average interest rate %	Utilised facility N\$'000	Weighted average interest rate %
<b>Non-current liabilities</b>				
2019	-	-	210 000	9.4%
2020	57 314	9.3%	70 568	9.5%
2021	21 499	9.3%	52 499	9.5%
<b>Total</b>	<b>78 813</b>	<b>9.3%</b>	<b>333 067</b>	<b>9.4%</b>
<b>Current liabilities</b>				
Revolving facilities	264 454	9.0%	283 236	9.2%
Maturing within 1 year	558 330	9.0%	219 630	9.2%
<b>Total</b>	<b>822 784</b>	<b>9.0%</b>	<b>502 866</b>	<b>9.2%</b>
<b>GRAND TOTAL</b>	<b>901 597</b>	<b>9.0%</b>	<b>835 933</b>	<b>9.3%</b>

Total available unutilised facilities are N\$161m (06/2017: N\$137m).

### 2.9 Derivative (liability) / asset

	Net fair value N\$'000	Non-current fair value N\$'000	Current fair value N\$'000	Nominal value N\$'000	Average swap fixed interest rate* %
<b>31.12.2017 Unaudited</b>	<b>(2 144)</b>	<b>(877)</b>	<b>(1 237)</b>	<b>330 000</b>	<b>7.5%</b>
<b>Liability</b>	<b>(2 144)</b>	<b>(877)</b>	<b>(1 237)</b>		
<b>30.06.2017 Audited</b>	<b>(1 550)</b>	<b>(653)</b>	<b>(897)</b>	<b>530 000</b>	<b>7.5%</b>
<b>Asset</b>	<b>77</b>	<b>-</b>	<b>77</b>		
<b>Liability</b>	<b>(1 627)</b>	<b>(653)</b>	<b>(974)</b>		

\* Floating rate is the 3 months Jibar rate.

The interest rate swaps are classified as level 2 financial instruments. Level 2 fair value measurements are those derived from inputs, other than quoted prices (unadjusted) in active markets for identical assets and liabilities, that are observable for the asset and liability, either directly or indirectly. The valuation technique used is the discounted cash flow model, with the discount rates being a key input.

## 3. DIRECTORS' COMMENTARY

### 3.1 Financial results and distribution

The distribution per linked unit for the six months ended 31 December 2017 is 78.00 cents per unit (12/2016: 78 cents per unit) and comprises 73.75 cents (12/2016: 77 cents) interest distribution and 4.25 cents (12/2016: 1 cent) dividend distribution.

The gradual divesting of South African properties has contributed significantly to slower growth in interest distribution notwithstanding, distribution has remained in line with the previous year. The slow take up of vacant space, in the current muted Namibian economic environment also added to the pressure being experienced on the interest distribution. We have not witnessed a further deterioration in occupancy levels, and now expect demand for space to start picking up during the latter part of 2018.

At reporting date, the main contributors to the vacancy factor remained a property in South Africa (Isando) (6, 263 m<sup>2</sup>) and two units in a warehouse in Prosperita (2, 988 m<sup>2</sup>), contributing 3.3% and 1.6% towards the total vacancy factor respectively.

With the revamp of Maerua Mall now complete and the opening of the FEC, there has been as expected, an increase in activity in the Mall. The final stage of the revamp will be the opening of new food offerings in the upgraded food court area. These are likely to stimulate the filling of current vacancies over the next few months, which bodes well for future distribution growth.

The management of collectibles and recovery of outstanding debt remain key focus areas and has not significantly increased since the previous financial year.

### 3.2 Investment in listed shares

Oryx completed the planned investment of N\$30m in Tower Property Fund. The investment was recorded at fair value of N\$28m. The investment has contributed a dividend of N\$2.5m which has been distributed as a dividend to unitholders.

### 3.3 Net asset value (NAV)

The net asset value per linked unit increased by 1.4% from 2 045 cents per unit in December 2016 to 2 074 cents per unit in the current period. The realisable net asset value of 2 152 cents per unit (06/2017: 2 121 cents per unit) is calculated by adding back distributions that have been raised as a provision and declared to unitholders.

### 3.4 Interest-bearing borrowings

As at 31 December 2017, the interest rate exposure of Oryx was hedged with swap transactions with a total nominal value of N\$330m (06/2017: N\$530m), refer to Note 2.9. The weighted average interest rate is currently 9.2% (12/2016: 9.5%). The fixed rate borrowings to variable rate borrowings ratio is 37:63 (12/2016: 50:50 and 06/2017: 63:37). The gearing ratio of the Group is currently 34.6% (06/2017: 33.2%). Management have already commenced negotiations for the re-financing of the N\$70m and N\$140m loans, expiring in September 2018 and November 2018 respectively. The ABSA term loan of N\$220m that expired during August 2017, is still included in current liabilities. The re-financing of this loan was successfully concluded during February 2018 and will result in N\$300m moving to long term liabilities.

During November 2017, Oryx successfully raised N\$128.7m through our Domestic Medium Term Note Programme ("DMTNP") with a 1 year term. The remainder of the N\$500m registered DMTNP facility remains available for management to utilise.

### 3.5 The market and prospects

The recovery in the exchange rate is by far the most telling of various positive signs in the regional economy indicating some growth to return to both the Namibian and South African economies. Further stability on the political front during 2018 could entrench this belief and stimulate both consumer and investor confidence and create a more conducive business environment. The austerity measures implemented by the Government of Namibia continue to restrict liquidity, which is primarily visible in slow debtor payments.

We remain optimistic about the growth projections for our 2019 financial year, as new investments should start contributing significantly to distributable earnings. We have finalised the agreements for our offshore investment and a separate announcement has been released with relevant details.

### 3.6 Changes to the Board

Mr. Carel Fourie resigned as CEO and Mr. Ben Jooste being appointed as CEO effective 1 April 2018. The Board is excited about Mr Jooste's ability to take on this role and the Board congratulates him on the new appointment. The Board would also like to express its sincere appreciation to Mr. Fourie for his contribution to Oryx for the past 7 years in various roles and wishes him well with his future endeavours.

## 4. DECLARATION OF DISTRIBUTION NUMBER 30

Notice is hereby given of the declaration of Distribution Number 30, amounting to interest of 73.75 cents per linked unit and 4.25 cents dividend, for the six-month period ended 31 December 2017.

Last date to trade cum distribution	Friday, 9 March 2018
Units will trade ex distribution	Monday, 12 March 2018
Record date to participate in the distribution	Friday, 16 March 2018
Payment of debenture interest	Thursday, 29 March 2018

By order of the Board

F Uys - Chairman of the Board  
1 March 2018

### REGISTERED OFFICE

Maerua Mall Office Tower, 1<sup>st</sup> Floor  
Corner of Jan Jonker & Robert Mugabe Avenue  
Windhoek  
P O Box 97723, Maerua Park, Windhoek, Namibia

### COMPANY SECRETARY

Bonsai Secretarial Compliance Services

### DIRECTORS

F Uys (Chairman) #, A Angula #, JJ Comalie #, C Fourie ^,  
NBS Harris \*#, P Kazmaier #, JC Kuehhirt #, MK Shikongo #, A Swanepoel #  
(\*South African, #Independent, ^Executive)

### TRANSFER SECRETARIES

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SPONSOR



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