





# UNAUDITED INTERIM RESULTS AND DISTRIBUTION ANNOUNCEMENT

For the six months ended 31 December 2018 (continued)

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

### 2.8 Interest-bearing borrowings

Expiry	31.12.2018 Unaudited		30.06.2018 Audited	
	Utilised facility	Weighted average interest rate	Utilised facility	Weighted average interest rate
<b>Non-current liabilities</b>	<b>N\$'000</b>	<b>%</b>	<b>N\$'000</b>	<b>%</b>
2020	-	-	57,314	9.0%
2021*	417,370	4.4%	71,499	9.7%
2022	240,000	9.2%	150,000	8.9%
2023	150,000	9.2%	150,000	8.9%
<b>Total*</b>	<b>807,370</b>	<b>5.7%</b>	<b>428,813</b>	<b>9.1%</b>
<b>Current liabilities</b>				
Revolving facilities	209,178	9.1%	183,292	8.9%
Maturing within 1 year	326,014	9.0%	338,700	8.9%
<b>Total</b>	<b>535,192</b>	<b>9.0%</b>	<b>521,992</b>	<b>8.9%</b>
<b>GRAND TOTAL*</b>	<b>1,342,562</b>	<b>7.6%</b>	<b>950,805</b>	<b>9.0%</b>

Total available unutilised facilities are N\$69m (06/2018: N\$86m), excluding the Domestic Medium-Term Note Programme (DMTNP).

\* Weighted average interest rate includes the foreign loan with ABSA. See note 3.4 for more detail.

### 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>31.12.2018 Unaudited</b>	(696)	(318)	(378)	470,000	7.4%
<b>Asset</b>	554	554	-		
<b>Liability</b>	(1,251)	(872)	(378)		
<b>30.06.2018 Reviewed</b>	(90)	891	(981)	470,000	7.4%
<b>Asset</b>	1,251	1,251	-		
<b>Liability</b>	(1,341)	(360)	(981)		

\* 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 2018 is 79.00 cents per unit (12/2017: 78 cents per unit) and comprises 77.50 cents (12/2017: 73.75 cents) interest distribution and 1.50 cents (12/2017: 4.25 cent) dividend declared which was earned on the investment in Tower Property Fund. The interest distribution translates into growth of 5% year on year.

The distribution growth was achieved by the concerted efforts of the Oryx team despite tough trading conditions. Rental income increased by N\$8.3m (inclusive of other property income) compared to the previous period as a result of a full periods' earnings on the Family Entertainment Centre at Maerua Mall, the Elisenheim head lease and the saving incurred in electricity expense as a result of additional solar installations during the previous financial year. Adding to the growth in net rental income (inclusive of other property income) of 12% is a reduction in property expenses of N\$3.1m or 6% as a result of proactive management on all expenses. Slow take up of vacant space continues to put pressure on rentals increasing the vacancy rate to 6.85% (06/2018: 6.5%) due to a delay in the disposal of the Isando property (6,263m<sup>2</sup>), for which an acceptable, conditional offer has been received, and office space becoming vacant in the Channel Life property. Subsequent to 31 December 2018 the vacancy rate decreased to 6.3% as tenancies were secured for vacant space.

The management of collectibles and recovery of outstanding debt remain key focus areas. Receivables has not significantly increased since the previous financial year. Oryx has applied IFRS 9 Financial Instruments to the bad debt provision for the period and the effect was consistent to the provision raised in the previous year.

### 3.2 Offshore investment

Oryx completed the planned offshore investment into TPF International Limited ('TIL') during July 2018 which resulted in Oryx owning 26% in this venture. The investment was funded by way of a three year term loan with ABSA Bank. Total dividends received from TIL amounted to N\$4m for the period ending November 2018 with total profit from the associate amounting to N\$9.1m for the period which is included in distributable income. Foreign gains or losses incurred on the translation of the loan (N\$20.8m) and the associate (N\$21.8m in other comprehensive income) from Euro to Namibian Dollar has been included in the above results using a spot rate of N\$16.54 as at 31 December 2018.

### 3.3 Net asset value (NAV)

The net asset value per linked unit decreased by 2% from 2 074 cents per unit in December 2017 to 2 033 cents per unit in the December 2018. The realisable net asset value of 2 110 cents per unit (06/2018: 2 108 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 2018, the interest rate exposure of Oryx was hedged with swap transactions with a total nominal value of N\$770m (including the foreign loan) (06/2018: N\$470m), refer to Note 2.9. The ratio of fixed rate to variable rate borrowings is 59:41 (06/2018: 49:51) inline with Oryx policy of hedging 60% of debt. The weighted average interest rate is currently 7.6% (NAD/ZAR debt 9.17%, Euro debt 2.7%) (12/2017: 9.2%) with the regional debt rate increasing slightly from 9.1% reported in June 2018. The gearing ratio of the Group is currently 43.9% (06/2018: 35.9%) with the biggest contributor being the offshore investment (refer to note 3.2). Management re-financed OMIGNAM Promissory Notes to the value of N\$70m as well as increasing the facility to N\$90m. The 1 year bond paper raised through the DMTNP of N\$128.7m, which matured during November 2018 was successfully rolled for another year at the same terms. The N\$140m Nedbank facility that was set to mature during November 2018, was extended for a further 6 months on the same terms and it is anticipated that this facility will be rolled. The strategic intention of the company is to reduce its debt in order to strengthen its balance sheet and to take advantage of growth opportunities.

### 3.5 The market and prospects

2018 has been a challenging year as most businesses had to cut costs, diversify or reinvent themselves to survive. The Bank of Namibia (BoN) revised Namibia's GDP growth forecasts downwards from 0.6% to a negative 0.2% for 2018, which is weaker than the initial prediction of a 1.9% growth. In the retail sector, it is evident that consumer needs are changing, and the success of retailers will be based on understanding these evolving needs and adapting business models to incorporate these. The office sector continues to experience an oversupply of office space in the CBD due to large companies moving into newly built offices.

There is, nevertheless, renewed optimism for 2019 with the BoN predicting that the Namibian economy will gradually recover towards the end of 2019 resulting in a 1.5% growth. Oryx also remains positive for the future as our Gustav Voigts development is completed, the impact of the offshore investment on our results as well as the commencement of the Elisenheim development. Furthermore, Oryx is excited about the Rights Issue that is currently in progress, as it will build on the platform for growth that has been created over the last 12 months. Unitholders decision to follow their rights should be considered in light of the yield enhancing investment opportunities available to Oryx as part of a successful Rights Issue.

### 3.6 Changes to Board

Ms L Smit, Chief Financial Officer, was appointed to the Board on 1 September 2018. There were no other changes to the Board during the period under review.

### 3.7 Subsequent events

There were no subsequent events other than the declaration of a dividend of 1.50 cents per unit and the release of the circular for a Rights Issue released on 30 January 2019. Unitholders are encouraged to access the circular on Oryx website (<http://oryxprop.com/page/investors/>) for detailed timelines and all relevant information.

## 4. DECLARATION OF DISTRIBUTION NUMBER 32

Notice is hereby given of the declaration of Distribution Number 32, amounting to interest of 77.50 cents per linked unit and 1.50 cents dividend, for the six-month period ended 31 December 2018.

Last date to trade cum distribution	Friday, 8 March 2019
Units will trade ex distribution	Monday, 11 March 2019
Record date to participate in the distribution	Friday, 15 March 2019
Payment of debenture interest	Friday, 29 March 2019

By order of the Board

F Uys - Chairman of the Board  
1 March 2019

### REGISTERED OFFICE

Maerua Mall Office Tower, 1st 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 #, B Jooste<sup>A</sup>, LP Smit<sup>A</sup>,  
NBS Harris #\*, PM Kazmaier #, JC Kuehhirt #, MK Shikongo #, A Swanepoel #  
(\*South African, #Independent, <sup>A</sup>Executive)

### TRANSFER SECRETARIES

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