

RESPONSE TO CARTE BLANCHE EPISODE ON PROPERTY DEVALUATIONS AT CITY OF JOHANNESBURG

Shareholders are referred to an episode on property devaluations aired by Carte Blanche on the evening of 13 November 2016.

This programme insinuated illegal council devaluations of certain properties and made specific reference to the company, creating an impression that ReboSis was involved in these alleged practices.

At the outset the company wants to make it clear that ReboSis stands against all and any form of corruption and encourages authorities to expose and deal with such as it corrodes the country and those found guilty must be dealt with accordingly.

These allegations are completely unfounded and misleading.

Carte Blanche engaged with ReboSis on 27 October 2016 on the matter and the company duly responded in detail on the 29 October 2016. This correspondence as well as supporting documentation is available and published on the [ReboSis website](#).

In 2013, following significant and unrealistic increases in property valuations from the City of Johannesburg, ReboSis appointed Hirsuflo Trading as an independent valuations' consultant to deal with the valuations' process.

ReboSis does not engage directly with council valuers but utilises valuers and specialised consultants to object to council(s) unilateral increases in valuations each year. This process commences with council valuers and failing resolution it runs through to their independent valuations' appeal board consisting of 10 (ten) members, including 7 (seven) independent members.

Of the four properties mentioned by Carte Blanche, the company's independent valuers objected to three properties in respect of the valuations, and one property in respect of rezoning from residential to commercial (Erf 4767) resulting in an increase in the valuation.

Two of the objections were not successful and the process went through to the valuations' appeal board and adjustments were made as per the detailed response that is available and published on the [ReboSis website](#). Hirsuflo provided the company with all official objection numbers and official appeal numbers. (Refer table below.)

All these objection and appeal numbers are logged and exist in the City of Johannesburg System for the period July 2013 to March 2015.

Erf	Original CoJ valuations as at June 2013	CoJ valuations role increases effected 1 July 2013	Objection number	Intervention	Appeal number	Final valuations post appeal board ruling	Difference between June 2013 & final valuations
4767	R5 750 000	R20 600 000	No objection	Rezoning from Resi to Commercial	No appeal	R20 600 000	R14 850 000
1271 Harrison Str	R37 432 500	R132 200 000	OBJ-257213	Appeal lodged	4637	R92 500 000	R55 067 500
4442	R23 000 000	R79 600 000	OBJ-266431	Appeal lodged	4639	R52 000 000	R29 000 000
5145 Braamfontein	R68 890 000	R152 200 000	SUP3-404	Supplementary objection won	No appeal	R44 700 000	(R24 190 000)
	R135 072 500					R209 800 000	R74 727 500

It is important to note that the difference from the original City of Johannesburg valuations dated June 2013 is actually R74 727 500 higher, which equates to a 55% increase in value (R135 072 500 to R209 800 000).

The company's response to Carte Blanche (which information Carte Blanche conveniently ignored) stated that Erf Selby South Ext 1 increased in valuation from R0 to R120 million, which was the purchase price.

The company's valuers have received official notification yesterday that the valuation increased from zero to R58.4 million, following the Carte Blanche airing.

With regard to Erf Selby South Ext 1 Rebosis did not receive any correspondence from the municipality regarding the rates accounts for a period of time. When Rebosis informed the municipality that the company was not receiving rates accounts the municipality discovered that the erf was not on its records.

Further, as a pre-caution, not only does Rebosis utilise consultants with good credentials, the company also requires consultants to sign an indemnity whereby they undertake and warrant not to bribe nor solicit undue favour from any council officials in rendering their duties, same is available and published on the Rebosis website for shareholders' information dated 03 September 2015. This is over and above the consultant's mandate and has become standard practise for Rebosis as a public entity in utilising external consultants.

Rebosis will be taking this matter up with the Mayor of Johannesburg and all other role players concerned and is engaging further with Carte Blanche, reserving all the company's rights, in particular the company's right to lodge a complaint with the Broadcasting Complaints Commission.

By order
The Board

15 November 2016

Sponsor

The logo for JAVACAPITAL, featuring the word "JAVACAPITAL" in a bold, sans-serif font. A blue horizontal line is drawn through the middle of the letters "A" and "V".

Communications Advisor

The logo for INSTINCTIF PARTNERS, featuring the word "INSTINCTIF" in a bold, purple, sans-serif font. Below it, the word "PARTNERS" is written in a smaller, purple, sans-serif font, flanked by two horizontal purple lines.

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