

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited 31 March 2010 R'000	Audited 31 March 2009 R'000	Audited 31 March 2008 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>	89 542	89 685	78 843
Investment property	86 426	86 426	75 921
Equipment	–	4	5
Operating lease asset	3 116	3 255	2 917
<b>Non-current assets held for sale</b>			
Investment property held for sale	–	–	48 650
<b>Current assets</b>	48 660	47 156	11 254
Trade and other receivables	1 783	965	709
Cash and cash equivalents	46 877	46 191	10 545
<b>Total assets</b>	<b>138 202</b>	<b>136 841</b>	<b>138 747</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Ordinary share capital	857	857	857
Retained income	–	–	–
<b>Non-current liabilities</b>	124 815	125 594	131 588
Linked unit debenture capital	857	857	857
Linked unit debentures premium	122 817	123 801	116 952
Long-term liabilities	–	–	12 526
Deferred taxation	1 141	936	1 253
<b>Current liabilities</b>	12 530	10 390	6 302
Trade and other payables	10 844	9 522	2 367
Taxation	1 686	868	574
Current portion of long-term liabilities	–	–	3 361
<b>Total equity and liabilities</b>	<b>138 202</b>	<b>136 841</b>	<b>138 747</b>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Unaudited 12 months 31 March 2010 R'000	Audited 12 months 31 March 2009 R'000	Audited 12 months 31 March 2008 R'000
Cash inflow from operating activities	686	5 528	2 139
Cash inflow from investing activities	–	46 005	40 600
Cash outflow from financing activities	–	(15 887)	(33 863)
Net increase in cash and cash equivalents	686	35 646	8 876
Cash and cash equivalents at beginning of period	46 191	10 545	1 669
Cash and cash equivalents at end of period	46 877	46 191	10 545

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital R'000	Retained income R'000	Total R'000
Balance at 1 April 2007	857	–	857
Profit for the period	–	–	–
Balance at 31 March 2008	857	–	857
Profit for the period	–	–	–
Balance at 31 March 2009	857	–	857
Profit for the period	–	–	–
Balance at 31 March 2010	857	–	857

**FAIRVEST PROPERTY HOLDINGS LIMITED**  
 (Incorporated in the Republic of South Africa)  
 (Registration number: 1998/005011/06)  
 ("Fairvest" or "the Company" or "the Group")

Linked unit code: FVT

ISIN: ZAE000034658

**Directors:**

Executive: BJ Kriel (Financial Director and Chief Executive Officer)

Non-executive: JF du Toit (Chairman), M Epstein, PJ van der Merwe\*  
 \* independent

**Registered office:**

1st Floor East Wing, The Palms, 145 Sir Lowry Road, Cape Town, 8001  
 PO Box 4083, Durbanville, 7551

**Transfer secretaries:**

Computershare Investor Services (Proprietary) Limited  
 Ground Floor, 70 Marshall Street, Johannesburg, 2001  
 PO Box 61051, Marshalltown, 2107

Auditor: BDO South Africa Incorporated

Sponsor: PSG Capital (Proprietary) Limited

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Unaudited 12 months 31 March 2010 R'000	Audited 12 months 31 March 2009 R'000	Audited 12 months 31 March 2008 R'000
<b>Gross revenue</b>	15 846	16 180	24 095
Rental income – contractual	15 547	15 707	23 940
– straight-line accrual	299	473	155
<b>Trading profit</b>	9 009	4 612	10 031
Net realised loss on sale of investments	–	–	(1 952)
Net realised loss on sale of investment properties	–	–	(2 026)
Fair value adjustment to investment properties	–	7 860	19 502
Fair value adjustment to debentures	(984)	(6 849)	(40 767)
<b>Operating profit/(loss)</b>	8 025	5 623	(15 212)
Interest received	3 395	3 739	1 202
Debt interest	(8 573)	(7 715)	–
Finance charges	–	(360)	(3 902)
<b>Profit/(loss) before taxation</b>	2 847	1 287	(17 912)
Taxation	(2 847)	(1 287)	17 912
<b>Comprehensive income attributable to linked unitholders</b>	–	–	–
<b>Reconciliation between profit attributable to linked unitholders and headline earnings</b>			
<i>Shares are traded as part of linked units</i>			
Profit attributable to linked unitholders*	–	–	–
Net realised loss on sale of investments	–	–	1 952
Net realised loss on sale of investment properties	–	–	2 026
Fair value adjustment to investment properties	–	(8 013)	(19 502)
Fair value adjustment to debentures	(984)	6 847	40 767
<b>Headline (loss)/earnings*</b>	<b>(984)</b>	<b>(1 166)</b>	<b>25 243</b>
Interest distribution per linked unit (cents)	10.0	9.0	–
Basic earnings per linked unit (cents)*	–	–	–
Headline earnings per linked unit (cents)*	(1.1)	(1.4)	29.4
Net asset value per linked unit and net tangible asset value per linked unit (cents)**	145.2	146.4	138.4
<b>Linked unit statistics (excluding treasury shares)</b>			
Linked units in issue	85 795 988	85 795 988	85 795 988
Effective linked units in issue	85 721 986	85 721 986	85 721 986
Weighted average number of linked units	85 721 986	85 721 986	85 721 986

\* Headline earnings have been presented in accordance with IAS 33. The linked unit structure of the Group whereby every shareholder is a debenture holder, coupled with the terms of the Debenture Trust Deed which states that 99.9% of profits are attributable to debenture holders, results in the benefits of improved trading which would be ordinarily attributable to shareholders being expensed in the income statement as a fair value adjustment to debentures and debenture interest. This results in no profit being attributable to ordinary shareholders.

\*\* Linked unit debentures are included in the net asset value and net tangible asset value calculation.

**STATEMENT OF CHANGES IN LINKED UNIT DEBENTURES**

	Linked unit debenture capital R'000	Linked unit debenture premium R'000	Total R'000
Balance at 1 April 2007	857	76 185	77 042
Net fair value adjustment	–	40 767	40 767
Balance at 31 March 2008	857	116 952	117 809
Net fair value adjustment	–	6 849	6 849
Balance at 31 March 2009	857	123 801	124 658
Net fair value adjustment	–	(984)	(984)
Balance at 31 March 2010	857	122 817	123 674

**Basis of preparation and accounting policies**

The accounting policies applied in the preparation of these condensed consolidated interim results, which are based on reasonable judgements and estimates, are in accordance with International Financial Reporting Standards ("IFRS") and are consistent with those applied in the annual financial statements for the year ended 31 March 2009. These condensed financial statements as set out in this report have been prepared in terms of IAS 34 – Interim Financial Reporting, the Companies Act of South Africa, as amended, and the Listings Requirements of the JSE Limited.

These condensed consolidated interim results for the twelve months ended 31 March 2010 have not been reviewed by the Group's auditors and have been prepared on the fair value and going concern bases.

**SEGMENTAL INFORMATION**

	Unaudited 12 months 31 March 2010	Audited 12 months 31 March 2009	Audited 12 months 31 March 2008
<b>Sectoral profile based on revenue</b>			
Commercial	100%	96%	81%
Residential	0%	4%	19%
<b>Regional profile based on income receivable</b>			
Eastern Cape	47%	43%	31%
Free State	5%	4%	3%
Gauteng	5%	17%	45%
KwaZulu-Natal	43%	36%	21%
<b>Regional profile based on lettable area</b>			
Eastern Cape	30%	30%	11%
Free State	10%	10%	3%
Gauteng	20%	20%	71%
KwaZulu-Natal	40%	40%	15%
<b>Vacancy profile based on gross lease area</b>			
Gross lease area in metres squared as at end of period	25 351	25 850	73 127
Vacancy area in metres squared	6 806	8 275	25 548
Vacancy area as % gross lease area	27%	32%	35%
<b>Regional vacancy profile</b>			
Eastern Cape	12%	6%	2%
Free State	18%	15%	5%
Gauteng	53%	52%	81%
KwaZulu-Natal	17%	27%	12%

**COMMENTARY**
**Change of financial year-end**

Fairvest and its subsidiaries changed their year-end from 31 March to 30 June, therefore these Group financial results are considered a second interim report for the twelve months ended 31 March 2010.

The audited results for the 15 months ended 30 June 2010 will be reported on in September 2010.

**Introduction**

Fairvest is a property investment holding company with investments in commercial and retail properties in South Africa. Its short-term investment strategy is to create a property portfolio of significant critical mass through acquisition of quality, high-yielding properties. Accordingly, investment opportunities are being evaluated for acquisition on an ongoing basis.

The existing property portfolio was found to be badly maintained and neglected, therefore a considerable amount of available funds have been earmarked for the upkeep of the portfolio.

**Review of results**

The Group declared a distribution of 10 cents per linked unit for the 12 months ending 31 March 2010. The net asset value per linked unit decreased by 0.8% from 146.4 cents to 145.2 cents.

Revenue declined by 2%. However, if revenue previously derived from Kempton City and Broadway Nordic properties which were sold in the comparative period are excluded, revenue improved by 8% to R15.8 million. Trading profits improved by 95% largely as a result of cost containment and streamlining of operations.

As the properties are valued at financial year-end, the property portfolio under management remained unchanged at R86.4 million.

The balance sheet of the Group remains strong with cash and cash equivalents of R46.9 million. Fairvest is well positioned to take advantage of opportunities that may arise.

**Interest distributions and dividends**

Interest on debentures has been calculated in terms of the Debenture Trust Deed. An interest distribution of 10 cents per debenture unit has been declared for the period ended 31 March 2010 and is payable to linked unitholders registered in the books of the Company at the close of business on Friday, 16 July 2010. No dividend has been declared for the period in respect of the linked units.

Last date to trade linked units cum interest payment Friday, 9 July 2010  
 Linked units commence trading ex interest payment Monday, 12 July 2010  
 Record date Friday, 16 July 2010  
 Payment date Monday, 19 July 2010

Linked units may not be dematerialised or rematerialised between Monday, 12 July 2010 and Friday, 16 July 2010, both days inclusive.

**Directorate**

During the period under review TA Bell, KJ Peter, AB Platt, TP Botsis and DA Johnston resigned as directors. JF du Toit has been appointed as Chairman, BJ Kriel as CEO and Financial Director, M Epstein as non-executive director and PJ van der Merwe as independent non-executive director.

**Subsequent events**

The directors of Fairvest are not aware of any material matter or circumstance that has occurred between 31 March 2010 and the date of this report.

**Appreciation**

We extend our appreciation to our directors, management and staff for their valued efforts, as well as our advisers and linked unitholders for their continuing belief in and support of Fairvest.

For and on behalf of the board

JF du Toit  
 Chairman  
 3 June 2010

BJ Kriel  
 Financial Director and Chief Executive Officer