

FAIRVEST PROPERTY HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 1998/005011/06)
Linked unit code: FVT ISIN: ZAE000034658
("Fairvest" or "the company" or "the group")



UNAUDITED CONDENSED CONSOLIDATED GROUP FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 30 September 2009 R'000	Unaudited 30 September 2008 R'000	Audited 31 March 2009 R'000
ASSETS			
Non-current assets	89 507	80 330	89 685
Investment property	86 426	77 441	86 426
Equipment	4	5	4
Operating lease asset	3 077	2 884	3 255
Current assets	44 915	44 404	47 156
Trade and other receivables	1 399	2 141	965
Cash and cash equivalents	43 516	42 263	46 191
Total assets	134 422	124 734	136 841
EQUITY AND LIABILITIES			
Equity and reserves			
Ordinary share capital	857	857	857
Retained income	-	-	-
Non-current liabilities	130 112	122 116	125 594
Linked unit debenture capital	857	857	857
Linked unit debenture premium	128 292	119 971	123 801
Long-term liabilities	-	-	-
Deferred taxation	963	1 288	936
Current liabilities	3 453	1 761	10 390
Trade and other payables	2 626	1 503	9 522
Taxation	827	258	868
Current portion of long-term liabilities	-	-	-
Total equity and liabilities	134 422	124 734	136 841

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months 30 September 2009 R'000	Unaudited 6 months 30 September 2008 R'000	Audited 12 months 31 March 2009 R'000
GROSS REVENUE	7 771	8 526	16 180
Rental income – contractual	7 664	8 402	15 707
– straight-line accrual	107	124	473
Trading profit	2 936	2 141	4 612
Fair value adjustment to investment properties	-	-	7 860
Fair value adjustment to debentures	(4 492)	(426)	(6 849)
Operating profit/(loss)	(1 556)	1 715	5 623
Interest received	1 702	1 371	3 739
Debenture interest	-	(2 593)	(7 715)
Finance charges	-	(409)	(360)
Profit/(loss) before taxation	146	84	1 287
Taxation	(146)	(84)	(1 287)
Comprehensive income attributable to shareholders	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

1. 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 JSE Limited.

These condensed consolidated interim results for the six months ended 30 September 2009 have not been reviewed by the group's auditors and have been prepared on the fair value and going concern bases.

2. Reclassification of investment property
It has been identified that in the prior year results investments in associate property companies was separately disclosed from investments in investment property as a result of incorrect terminology, even though the intended measurement principles were correctly and consistently applied. To rectify the error, the investments in associate property companies have been correctly classified as investment property in the results for the year ended 31 March 2009 and the interim results for the six months ended 30 September 2009.

3. Reconciliation between profit attributable to shareholders and headline earnings

	Unaudited 30 September 2009 R'000	Unaudited 30 September 2008 R'000	Audited 31 March 2009 R'000
Profit attributable to shareholders *	-	-	-
Fair value adjustment to investment properties	-	-	(7 860)
Fair value adjustment to debentures	4 492	426	6 849
Headline earnings*	4 492	426	(1 011)
Interest distribution per linked unit (cents)	-	-	9,0
Basic earnings per linked unit (cents)*	-	-	-
Headline earnings per linked unit (cents)*	5,2	0,5	(1,2)
Net asset value per linked unit and net tangible asset value per linked unit (cents)**	151,6	142,0	146,4

* 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.

Headline earnings in the comparative period included an expense for provision for interest distributions to debenture holders of 3 cents per share.

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

4. Linked unit statistics (excluding treasury shares)

	85 795 988	85 795 988	85 795 988
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

5. Related party transactions
The group, in the ordinary course of business, entered into various purchase transactions on an arm's length basis at market rates with related parties.

6. Capital commitments
No capital commitments have been authorised.

SEGMENTAL INFORMATION	Commercial R'000	Residential R'000	Group R'000
For the six months ended 30 September 2009			
Segment revenue	7 771	-	7 771
Segment result	4 638	-	4 638
Segment assets	134 422	-	134 422
Segment liabilities	4 416	-	4 416
For the six months ended 30 September 2008			
Segment revenue	7 790	736	8 526
Segment result	371	139	510
Segment assets	124 734	-	124 734
Segment liabilities	3 049	-	3 049
For the year ended 31 March 2009			
Segment revenue	15 444	736	16 180
Segment result	7 995	139	8 134
Segment assets	136 841	-	136 841
Segment liabilities	11 326	-	11 326

Directors
TA Bell (*Chairman*), TP Botsis*, DA Johnston*, KJ Peter (*Financial Director*),
AB Platt, JF du Toit* **non-executive*

Company Secretary
JA Lupton, ACIS

Registered office
9th Floor, Protea Hotel, Corner Lighthouse Road and Chartwell Drive,
Umhlanga Rocks, 4319
PO Box 18, Umhlanga Rocks, 4320

Auditor
BDO Spencer Steward (KZN) Inc.

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

Sponsor
Merchantec (Proprietary) Limited

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CASH FLOW STATEMENTS

	Unaudited 6 months 30 September 2009 R'000	Unaudited 6 months 30 September 2008 R'000	Audited 12 months 31 March 2009 R'000
Cash (outflow)/inflow from operating activities	(2 675)	476	5 527
Cash inflow from investing activities	-	47 129	47 526
Cash outflow from financing activities	-	(15 887)	(17 407)
Net increase in cash and cash equivalents	(2 675)	31 718	35 646
Cash and cash equivalents at beginning of period	46 191	10 545	10 545
Cash and cash equivalents at end of period	43 516	42 263	46 191

STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Total R'000
Balance at 1 April 2008	857	857
Profit for the six months	-	-
Balance at 30 September 2008	857	857
Profit for the six months	-	-
Balance at 31 March 2009	857	857
Profit for the six months	-	-
Balance at 30 September 2009	857	857

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 2008	857	116 952	117 809
Net fair value adjustment	-	426	426
Debenture interest accrued	-	2 593	2 593
Balance at 30 September 2008	857	119 971	120 828
Net fair value adjustment	-	6 422	6 422
Payment of debenture interest previously accrued	-	(2 593)	(2 593)
Balance at 31 March 2009	857	123 800	124 657
Net fair value adjustment	-	4 492	4 492
Balance at 30 September 2009	857	128 292	129 149

SEGMENTAL INFORMATION continued	Unaudited 30 September 2009	Unaudited 30 September 2008	Audited 31 March 2009
Sectoral profile based on gross lease area			
Commercial	100%	100%	100%
Regional profile based on income receivable			
Eastern Cape	47%	40%	43%
Free State	4%	4%	5%
Gauteng	6%	25%	18%
KwaZulu-Natal	43%	31%	34%
Regional profile based on gross lease area			
Eastern Cape	30%	29%	30%
Free State	9%	9%	9%
Gauteng	21%	21%	21%
KwaZulu-Natal	40%	41%	40%
Tenant profile based on income receivable			
A-grade tenant	48%	36%	39%
B-grade tenant	19%	17%	10%
C-grade tenant	33%	47%	51%
Tenant profile based on gross lease area			
A-grade tenant	31%	32%	37%
B-grade tenant	13%	18%	9%
C-grade tenant	56%	50%	54%
Vacancy profile based on gross lease area			
Gross lease area in metres squared at end of period	25 850	26 265	25 850
Vacancy area in metres squared	8 031	8 940	8 275
Vacancy area as % of gross lease area	31%	34%	32%
Regional vacancy profile			
Eastern Cape	6%	6%	6%
Free State	16%	14%	15%
Gauteng	56%	45%	52%
KwaZulu-Natal	22%	35%	27%
Sectoral vacancy profile			
Commercial area	100%	100%	100%

COMMENTARY

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 on-going basis.

Review of results

The group continued to produce pleasing results. The net asset value per linked unit increased 4% from 146,4 cents as at 31 March 2009 to 151,6 cents as at 30 September 2009.

Revenue declined by 9%. However, if revenue previously derived from Nedbank Circle and Mangrove Beach Centre properties which were sold in the comparative period is excluded, revenue improved by 11% to R7,8 million. Trading profits improved by 37% largely as a result of the disposal of the underperforming properties.

As the properties are valued annually in March, the property portfolio under management remained unchanged at R86,4 million largely as a result of renovations and improved occupancy in certain of the properties.

The balance sheet of the group remains strong with cash and cash equivalents of R43,5 million. Fairvest is well positioned to take advantage of opportunities that may arise in the present uncertain economic conditions.

Interest distributions and dividends

Interest on debentures has been calculated in terms of the Debenture Trust Deed. However, in line with the company's policy of declaring annual interest distributions and dividends, no interest distributions or dividends have been declared for the six month period under review in respect of the linked units.

Subsequent events

The directors of Fairvest are not aware of any material matter or circumstance that has occurred between 30 September 2009 and the date of this report.

Directorate

There has been no change to the board of directors. Owing to insufficient independent non-executive directors the audit committee has been suspended and its functions are fulfilled by the board.

Appreciation

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

For and on behalf of the board

TA Bell

Chairman

13 November 2009