

ABRIDGED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited 30 June 2010 R'000	Audited 31 March 2009 R'000	Audited 31 March 2008 R'000
ASSETS			
Non-current assets	91 622	89 685	80 364
Investment property	88 766	86 426	77 442
Equipment	20	4	5
Operating lease asset	2 836	3 255	2 917
Non-current assets held for sale			
Investment property held for sale	–	–	48 650
Current assets	53 147	47 156	11 254
Listed investments	2 684	–	–
Trade and other receivables	2 127	965	709
Cash and cash equivalents	48 336	46 191	10 545
Total assets	144 769	136 841	140 268
EQUITY AND LIABILITIES			
Equity and reserves			
Ordinary share capital	857	857	857
Non-current liabilities	126 555	125 594	133 109
Linked unit debenture capital	857	857	857
Linked unit debentures premium	124 020	123 801	116 952
Long-term liabilities	–	–	14 047
Deferred taxation	1 678	936	1 253
Current liabilities	17 357	10 390	6 302
Taxation	2 017	868	574
Trade and other payables	15 340	9 522	2 367
Current portion of long-term liabilities	–	–	3 361
Total equity and liabilities	144 769	136 841	140 268

ABRIDGED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Audited 15 months to 30 June 2010 R'000	Audited 12 months to 31 March 2009 R'000	Audited 12 months to 31 March 2008 R'000
Cash inflow from operating activities	4 838	5 527	2 139
Cash (outflow)/inflow from investing activities	(2 693)	47 526	40 600
Cash outflow from financing activities	–	(17 407)	(33 863)
Net increase in cash and cash equivalents	2 145	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	48 336	46 191	10 545

ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital R'000	Retained income R'000	Total R'000
Balance at 1 April 2007	857	–	857
Total comprehensive income for the period	–	–	–
Balance at 31 March 2008	857	–	857
Total comprehensive income for the period	–	–	–
Balance at 31 March 2009	857	–	857
Total comprehensive income for the period	–	–	–
Balance at 30 June 2010	857	–	857

ABRIDGED STATEMENTS 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	–	219	219
Balance at 30 June 2010	857	124 020	124 877

ABRIDGED CONSOLIDATED SEGMENT REPORT

	Eastern Cape R'000	Free State R'000	Gauteng R'000	KwaZulu- Natal R'000	Reconciling item R'000	Total R'000
For the 15 months ended 30 June 2010						
Revenue – external customers	9 145	982	1 090	8 324	–	19 541
Operating profit	6 919	501	(158)	4 133	(2 433)	8 962
Total assets	35 361	4 686	16 439	37 243	51 040	144 769
For the 12 months ended 31 March 2009						
Revenue – external customers	6 753	746	2 666	5 542	–	15 707
Operating profit	5 435	391	162	2 486	(3 862)	4 612
Total assets	30 829	6 651	19 898	33 248	46 215	136 841

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 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107 AUDITOR: BDO South Africa Incorporated Registered auditors SPONSOR: PSG Capital (Proprietary) Limited COMPANY SECRETARY: SecCorp Secretarial Services (Proprietary) Limited PROPERTY MANAGERS: Blend Property Management (Proprietary) Limited DIRECTORS Executive: BJ Kriel (Financial Director) Non-executive: JF du Toit (Chairman), M Epstein, P.J van der Merwe # # independent

FAIRVEST PROPERTY HOLDINGS LIMITED

Incorporated in the Republic of South Africa (Registration number: 1998/005011/06) Linked unit code: FVT ISIN: ZAE00034658 ("Fairvest" or "the Company" or "the Group")

ABRIDGED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Audited 15 months to 30 June 2010 R'000	Audited 12 months to 31 March 2009 R'000	Audited 12 months to 31 March 2008 R'000
Gross revenue	19 801	16 180	24 095
Rental income – contractual – straight-line accrual	19 541	15 707	23 940
	260	473	155
Operating profit	8 962	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 listed investments	12	–	–
Fair value adjustment to investment properties	2 340	7 860	19 502
Fair value adjustment to debentures	(219)	(6 849)	(40 767)
Finance cost	(810)	(360)	(3 902)
Investment revenue	4 389	3 739	1 202
Profit/(loss) before debenture interest	14 674	9 002	(17 912)
Debenture interest	(11 832)	(7 715)	–
Profit/(loss) before taxation	2 842	1 287	(17 912)
Taxation	(2 842)	(1 287)	17 912
Comprehensive income attributable to linked unitholders	–	–	–
Profit and total comprehensive income attributable to:			
– Owners of the parent	–	–	–
– Non-controlling interest	–	–	–
Reconciliation between profit attributable to linked unitholders and headline earnings			
Shares are traded as part of linked units			
Profit attributable to linked unitholders*	–	–	–
Net realised loss on sale of investment properties	–	–	3 978
Fair value adjustment to investment properties	(2 340)	(7 860)	(19 502)
Fair value adjustment to debentures	219	6 849	40 767
Headline and diluted headline (loss)/earnings	(2 121)	(1 011)	25 243
Debenture interest	11 832	7 715	–
Headline and diluted headline earnings including debenture interest	9 711	6 704	25 243
Distribution (debenture interest)			
Interim interest distribution per linked unit (cents)	10.0	–	–
Final interest distribution per linked unit (cents)	3.8	9.0	–
Total interest distribution per linked unit (cents)	13.8	9.0	–
Earnings per share			
Basic and diluted earnings per linked unit (cents)*	–	–	–
Headline and diluted headline loss per share (cents)*	(2.5)	(1.2)	29.4
Headline and diluted headline earnings per linked unit (cents)*	11.3	7.8	29.4
Net asset value per linked unit and net tangible asset value per linked unit (cents)**	146.6	146.4	138.4
Linked unit statistics (excluding treasury shares)			
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

OTHER SEGMENTAL INFORMATION

	Audited 30 June 2010	Audited 31 March 2009	Audited 31 March 2008
Regional profile based on leasable area			
Eastern Cape	29%	30%	11%
Free State	12%	9%	3%
Gauteng	20%	21%	71%
KwaZulu-Natal	39%	40%	15%
Vacancy profile based on gross lease area			
Gross lease area in square metres as at end of period	27 021	25 850	73 127
Vacancy area in square metres	7 507	8 275	25 548
Regional vacancy profile			
Eastern Cape	11%	6%	2%
Free State	25%	15%	5%
Gauteng	52%	52%	81%
KwaZulu-Natal	12%	27%	12%

OTHER SEGMENTAL INFORMATION

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Free State	25%	15%	5%
Gauteng	52%	52%	81%
KwaZulu-Natal	12%	27%	12%

Basis of preparation and accounting policies

The accounting policies applied in the preparation of these audited abridged consolidated results for the 15 months ended 30 June 2010, 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 except for IAS 1 and IFRS 8. The adoption of these standards had no material effect on the results, nor has it required any restatement. These audited abridged results as set out in this report have been prepared in accordance and containing the information required by IAS 34 – Interim Financial Reporting, the Companies Act of South Africa, as amended, and the Listings Requirements of JSE Limited.

These audited abridged results have been prepared in accordance with the historic cost basis, except for the measurement of investment properties, linked units and certain financial assets and financial liabilities which are stated at fair value.

The financial results are presented in rand, which is Fairvest's functional and presentation currency.

Estimates

The financial statements do not include any material estimates.

Auditors' report

The audited financial results for the 15 months ended 30 June 2010 set out above have been extracted from the Group's annual financial statements which have been audited by BDO South Africa Inc. A copy of their unmodified audit opinion on the consolidated annual financial statements and the audited abridged consolidated results is available for inspection at the Company's registered offices.

Annual general meeting

The annual general meeting of linked unitholders of Fairvest will be held at its registered office on Wednesday, 27 October 2010 at 11:00.

COMMENTARY

Introduction

Fairvest is a property investment holding company with investments in commercial properties in South Africa. Its 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.

Change of financial year-end

Fairvest Property Holdings Limited and its subsidiaries changed their year-end from 31 March to 30 June. Consequently the current reporting period represents 15 months whilst the comparative period represents 12 months, thus the amounts are not entirely comparable between 2010 and 2009.

Review of results

2010 was a year of significant change for the Fairvest Group. After two general shareholder meetings and an offer to minorities by Rossouw and van der Westhuizen (Proprietary) Limited a new board of directors was appointed in January 2010. The management of the property portfolio has been outsourced to Blend Property Management (Proprietary) Limited and the management of the Company and its subsidiaries has been moved from Durban to Cape Town. All these changes were needed to give new direction to the Group and to realise the full potential of an aging property portfolio.

The Group declared a final distribution of 3.8 cents per linked unit to bring the total distribution for the 15 months to 13.8 cents (2009: 9.0 cents) per linked unit, an annualised increase of 22.7%.

Revenue increased by 22.4% to R19.8 million for 15 months compared with 12 months previously. However, if revenue previously derived from Kempton City and Broadway Nordic properties which were sold at the start of the comparative period is excluded, annualised revenue increased by 8%. Annualised trading profits increased by 55.5% largely as a result of cost containment and streamlining of operations.

The number of properties in the portfolio has remained unchanged during the year at 11 as we focused on extracting value out of the current portfolio. The value of the portfolio increased from R86.4 million to R92.2 million largely as a result of improved occupancies in certain of the properties.

During the period under review the Group invested R2.7 million in the listed property sector. R1.7 million was invested locally and R1.0 million (AU\$0.15 million) in the Australian listed property sector. Subsequent to year-end a further R4 million (AU\$0.60 million) was invested in the Australian listed property sector.

With R48.3 million of available cash resources and a debt-free balance sheet the Group is well positioned to take advantage of opportunities the current market will offer.

Interest distributions and dividends

Interest on debentures has been calculated in terms of the Debenture Trust Deed. A final interest distribution of 3.8 cents per debenture unit has been declared for the 15 months ended 30 June 2010 and is payable to linked unitholders registered in the books of the Company at the close of business on Friday, 15 October 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, 8 October 2010

Linked units commence trading ex interest payment

Monday, 11 October 2010

Record date

Friday, 15 October 2010

Payment date

Monday, 18 October 2010

Linked units may not be dematerialised or rematerialised between Monday 11 October 2010 and Friday 15 October 2010, both days inclusive.

Directorate

TA Bell, KJ Peter, AB Platt, TP Botsis and DA Johnston resigned as directors on 15 January 2010. JF du Toit was 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 on 19 January 2010.

Subsequent events

The directors of Fairvest are not aware of any material matter or circumstance arising since the end of the financial period, not otherwise dealt with in this report or the financial statements, which materially affect the financial position of the Group or the results of its operations.

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

16 September 2010
Cape Town

BJ Kriel

Chief Executive Officer