

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited 30 June 2011 R'000	Audited 30 June 2010 R'000
<b>ASSETS</b>		
<b>Non-current assets</b>	100 186	91 622
Investment property	97 372	88 766
Investment property under construction	623	–
Operating lease asset	2 174	2 836
<b>Current assets</b>	44 692	53 147
Listed investments	8 450	2 684
Trade and other receivables	2 401	2 127
Cash and cash equivalents	33 841	48 336
Investment property held for sale	2 150	–
<b>Total assets</b>	<b>147 028</b>	<b>144 769</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Ordinary share capital	857	857
<b>Non-current liabilities</b>	138 006	126 555
Linked unit debentures and premium	133 235	124 877
Deferred taxation	4 771	1 678
<b>Current liabilities</b>	8 165	17 357
Taxation	35	2 017
Trade and other payables	8 130	15 340
<b>Total equity and liabilities</b>	<b>147 028</b>	<b>144 769</b>

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Audited 12 months to 30 June 2011 R'000	Audited 15 months to 30 June 2010 R'000
<b>Cash (outflow)/inflow from operating activities</b>	(8 991)	4 838
<b>Cash outflow from investing activities</b>	(5 504)	(2 693)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(14 495)	2 145
Cash and cash equivalents at beginning of period	48 336	46 191
Cash and cash equivalents at end of period	33 841	48 336

### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital R'000	Retained income R'000	Total R'000
Balance at 1 April 2009	857	–	857
Total comprehensive income for the period	–	–	–
Balance at 30 June 2010	857	–	857
Total comprehensive income for the period	–	–	–
Balance at 30 June 2011	857	–	857

### 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 2009	857	123 801	124 658
Net fair value adjustment	–	219	219
Balance at 30 June 2010	857	124 020	124 877
Net fair value adjustment	–	8 358	8 358
Balance at 30 June 2011	857	132 378	133 235

### CONDENSED CONSOLIDATED SEGMENT REPORT

	Eastern Cape R'000	Free State R'000	Gauteng R'000	KwaZulu- Natal R'000	Western Cape R'000	Reconciling item/ Western (Eliminations) R'000	Total R'000
<b>For the 12 months ended 30 June 2011</b>							
Revenue – external customers	8 067	1 036	1 001	7 398	–	–	17 502
Intersegmental revenue	–	–	–	–	1 285	(1 285)	–
Operating profit	5 212	(408)	(671)	4 253	–	(2 476)	5 910
Total assets	36 716	6 459	18 463	42 961	–	42 429	147 028
<b>For the 15 months ended 30 June 2010</b>							
Revenue – external customers	9 145	982	1 090	8 324	–	–	19 541
Intersegmental revenue	–	–	–	–	3 866	(3 866)	–
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

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 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 (Chief Executive Officer and Financial Director)\*\*; D Wilder, A Marcus \* \*Alternate director to D Wilder Non-executive: JF du Toit (Chairman), M Epstein, PJ van der Merwe # LW Andrag # 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")

These condensed consolidated results were prepared by the Financial Director, BJ Kriel

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Audited 12 months to 30 June 2011 R'000	Audited 15 months to 30 June 2010 R'000
<b>Gross revenue</b>	17 295	19 801
Rental income – contractual	17 502	19 541
– straight-line accrual	(207)	260
<b>Operating profit</b>	5 910	8 962
Fair value adjustment to listed investments	288	12
Fair value adjustment to investment properties	10 756	2 340
Fair value adjustment to debentures	(8 358)	(219)
Finance cost	(6)	(810)
Foreign exchange gains	588	–
Investment revenue	2 256	4 389
Dividends received	290	–
<b>Profit before debenture interest</b>	11 724	14 674
Debenture interest	(9 352)	(11 832)
<b>Profit before taxation</b>	2 372	2 842
Taxation	(2 372)	(2 842)
<b>Comprehensive income attributable to shareholders</b>	–	–
<b>Profit and total comprehensive income attributable to:</b>		
– Owners of the parent	–	–
– Non-controlling interest	–	–
<b>Reconciliation between profit attributable to shareholders and headline earnings per linked unit</b>		
<i>Shares are traded as part of linked units</i>		
Profit attributable to linked shareholders*	–	–
Fair value adjustment to investment properties (net of taxation)	(7 744)	(1 685)
Headline and diluted headline loss attributable to shareholders	(7 744)	(1 685)
Fair value adjustment to debentures	8 358	219
Debenture interest	9 352	11 832
Headline and diluted headline profit attributable to linked unitholders	9 966	10 366
<b>Distribution (debenture interest)</b>		
Interim interest distribution per linked unit (cents)	5.0	10.0
Final interest distribution per linked unit (cents)	5.9	3.8
Total interest distribution per linked unit (cents)	10.9	13.8
<b>Earnings per share</b>		
Basic and diluted earnings per share (cents)*	–	–
Headline and diluted headline loss per share (cents)*	(9.0)	(2.0)
Headline and diluted headline earnings per linked unit (cents)*	11.6	12.1
Net asset value per linked unit and net tangible asset value per linked unit (cents)**	156.3	146.6
<b>Linked unit statistics (excluding treasury shares)</b>		
Linked units in issue	85 795 988	85 795 988
Effective linked units in issue	85 721 986	85 721 986
Weighted average number of linked units	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.

### OTHER SEGMENTAL INFORMATION

	Audited 30 June 2011	Audited 30 June 2010
<b>Regional profile based on leasable area</b>		
Eastern Cape	29%	29%
Free State	10%	12%
Gauteng	20%	20%
KwaZulu-Natal	41%	39%
<b>Vacancy profile based on gross lease area</b>		
Gross lease area in metres squared as at end of period	26 269	27 021
Vacancy area in metres squared	5 653	7 507
Vacancy area as % of gross lease area	21.5%	27.8%
<b>Regional vacancy profile</b>		
Eastern Cape	23%	12%
Free State	0%	25%
Gauteng	62%	52%
KwaZulu-Natal	15%	12%

#### Basis of preparation and accounting policies

The accounting policies applied in the preparation of these audited condensed consolidated results for the year ended 30 June 2011, 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 15 months ended 30 June 2010 except for the adoption of new and amended IFRS and IFRIC interpretations, these did not impact on the financial position or performance of the company but has resulted in additional disclosures. These audited condensed consolidated results as set out in this report have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the AC 500 standards as issued by the accounting practices board and containing the information required by IAS 34: Interim Financial Reporting, the Companies Act of South Africa, as amended, and the Listings Regulations of JSE Limited.

These audited condensed consolidated results for the year ended 30 June 2011 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 Rands, 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 year ended 30 June 2011 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 on the audited condensed 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 Thursday 17 November 2011 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.

#### Change of financial year-end

During the previous reporting period Fairvest Property Holdings Limited and its subsidiaries changed their year-end from 31 March to 30 June. Consequently the comparative reporting period represents 15 months whilst the current period represents 12 months, thus the amounts are not entirely comparable between 2011 and 2010.

#### Review of results

2011 marked the end of the consolidation phase of the Fairvest property portfolio. The current portfolio is now poised for growth. Management is in the process of implementing a new investment strategy and key executives will be appointed.

As mentioned in our 2010 Annual Report and interim results for the six months ended 31 December 2010, we continue to enhance our current portfolio through extensive maintenance projects. In the short-term, these projects will significantly impact on our turnover growth and operating profits, while the projects are concluded, however we are confident that these projects will realise the full potential of our current portfolio. During the period under review the value of these projects were R2.9 million which reduced our operating profits and distributions accordingly.

The net asset value per linked unit increased from 146.6 cents to 156.3 cents. The increase is largely as a result of an increase in the valuations of the property portfolio as well as gains on the listed property investments.

The number of properties in the portfolio has remained unchanged during the period under review at 11. During the period under review a new development commenced on one of our current properties. After year end one unoccupied property was disposed of.

During the period, the property portfolio under management increased from R88.8 million to R97.3 million mainly as a result of improved occupancies and maintenance projects adding value to the current properties.

Revenue decreased by 12.7% to R17.3 million during the period under review, however the current financial period comprised of 12 months compared to 15 months in the previous year. Annualised revenue increased by 5.9% as vacancies continue to decrease. Vacancies decreased from 27.8% in the previous year to 21.5%, of which 5.0% relates to an unoccupied property that was sold after year end, 7.3% to a non-tenantable property and 3.5% to a property being refurbished, bringing the effective vacancies to 5.7% of the gross leasable area.

Operating profit decreased by 34.1% to R5.9 million during the period under review. Annualised operating profit decreased by 11.2%. By taking into account the one-off expenses incurred on maintenance projects, as mentioned earlier, operating profits increased by 22.8%.

In March 2011 an interim distribution of 5.0 cents per linked unit for the six months ended 31 December 2010 was paid; and together with the final interest declaration of 5.9 cents per linked unit, brings the total distribution to 10.9 cents (2010: 13.8 cents) per linked unit for the period, a decrease of 21.0% from the prior year. Annualised distribution decreased by 1.3% from the prior year mainly because of one off expenses incurred.

During the period under review Fairvest invested a further R4.881 million (AUS0.734 million) in the Australian listed property sector. R3.936 million (AUS0.952 million) was invested in 321 519 Growthpoint Australia shares and R0.945 million (AUS0.142 million) in 141 000 Cromwell Property Group shares. Listed property investments increased by R1.185 million during the period under review as a result of favourable exchange rates and increases in the values of the share prices.

#### Interest distributions and dividends

Interest on debentures has been calculated in terms of the Debenture Trust Deed. A final interest distribution of 5.9 cents per linked unit has been declared bringing the total distribution to linked unit holders to 10.9 cents for the year ended 30 June 2011. The distribution is payable to linked unitholders registered in the books of the Company at the close of business on Friday, 28 October 2011. No dividend has been declared for the period in respect of the linked units.

Last date to trade linked units cum interest payment Friday, 21 October 2011  
Linked units commence trading ex interest payment Monday, 24 October 2011  
Record date Friday, 28 October 2011  
Payment date Monday, 31 October 2011

Linked units may not be dematerialised or rematerialised between Monday 24 October 2011 and Friday 28 October 2011, both days inclusive.

#### Directorate

LW Andrag was appointed as an independent non-executive director on 1 December 2010. D Wilder was appointed as an executive director on 22 September 2011, with A Marcus appointed as his alternate on the board.

#### Subsequent events

The directors of Fairvest are not aware of any material matter or circumstance arising between 30 June 2011 and this report which may 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

BJ Kriel  
Chief Executive Officer and  
Financial Director

29 September 2011  
Cape Town

[www.fairvest.co.za](http://www.fairvest.co.za)

The full annual accounts will be available on our website, or the printed version at our registered office or on request.