

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Reviewed 30 June 2012 R'000	Audited RESTATEd 30 June 2011 R'000	Audited RESTATEd 30 June 2010 R'000
ASSETS			
Non-current assets	125 209	100 186	91 622
Investment property	97 079	97 372	88 766
Investment property under construction	27 768	623	–
Equipment	13	17	20
Operating lease asset	349	2 174	2 836
Current assets	31 728	44 692	53 147
Listed investments	3 275	8 450	2 684
Trade and other receivables	3 591	2 401	2 127
Taxation	127	–	–
Cash and cash equivalents	24 735	33 841	48 336
Investment property held for sale	6 450	2 150	–
Total assets	163 387	147 028	144 769

EQUITY AND LIABILITIES

	Reviewed 30 June 2012 R'000	Audited RESTATEd 30 June 2011 R'000	Audited RESTATEd 30 June 2010 R'000
Equity and reserves			
Ordinary share capital	857	857	857
Non-current liabilities	147 043	138 006	126 555
Linked unit debentures and premium	143 331	136 455	126 400
Deferred taxation	3 712	1 551	155
Current liabilities	15 487	8 165	17 357
Taxation	–	35	2 017
Trade and other payables	15 487	8 130	15 340
Total equity and liabilities	163 387	147 028	144 769

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Reviewed 12 months to 30 June 2012 R'000	Audited 12 months to 30 June 2011 R'000	Audited 15 months to 30 June 2010 R'000
Cash inflow/(outflow) from operating activities	4 358	(8 991)	4 838
Cash outflow to investing activities	(13 464)	(5 504)	(2 693)
Net (decrease)/increase in cash and cash equivalents	(9 106)	(14 495)	2 145
Cash and cash equivalents at beginning of period	33 841	48 336	46 191
Cash and cash equivalents at end of period	24 735	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
Total comprehensive income for the period	–	–	–
Balance at 30 June 2012	857	–	857

STATEMENTS OF CHANGES IN LINKED UNIT DEBENTURES

	Linked unit debt capital R'000	Linked unit debt premium R'000	Total R'000
Balance at 1 April 2009	857	123 801	124 658
Restatement	–	690	690
Restated balance as at 1 April 2009	857	124 491	125 348
Restatement	–	833	833
Net fair value adjustment	–	219	219
Balance at 30 June 2010	857	125 543	126 400
Restatement	–	1 697	1 697
Net fair value adjustment	–	8 358	8 358
Balance at 30 June 2011	857	135 598	136 455
Net fair value adjustment	–	6 876	6 876
Balance at 30 June 2012	857	142 474	143 331

CONDENSED CONSOLIDATED SEGMENT REPORT

	Eastern Cape R'000	Free State R'000	Gauteng R'000	KwaZulu- Natal R'000	Western Cape R'000	Reconciling items/ (Eliminations) R'000	Total R'000
FOR THE 12 MONTHS ENDED 30 JUNE 2012							
Revenue – external customers	8 121	1 162	1 651	7 994	–	–	18 928
Intersegmental revenue	–	–	–	–	2 264	(2 264)	–
Operating profit	4 019	568	(5)	2 848	–	(3 903)	3 527
Total assets	36 509	7 801	17 850	70 560	–	30 667	163 387
FOR THE 12 MONTHS ENDED 30 JUNE 2011							
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
FOR THE 15 MONTHS ENDED 30 JUNE 2010							
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

DIRECTORS Executive: BJ Kriel (*Chief Executive Officer and Financial Director*), Darren Wilder, Adam Marcus (Non-executive); JF du Toit (*Chairman*), M Epstein, PJ van der Merwe (*Lead Independent Non-executive*)
COMPANY SECRETARY: SacCorp Secretarial Services (Proprietary) Limited. 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. **PREPARER OF FINANCIAL STATEMENTS**: BJ Kriel
FAIRVEST PROPERTY HOLDINGS LIMITED Incorporated in the Republic of South Africa (Registration number: 1998/005011/06) Linked unit code: PVT. ISIN: ZAE000034658 ("Fairvest" or "the company" or "the group")

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Reviewed 12 months to 30 June 2012 R'000	Audited RESTATEd 12 months to 30 June 2011 R'000	Audited RESTATEd 15 months to 30 June 2010 R'000
Gross revenue	16 421	17 295	19 801
Rental income – contractual	18 928	17 502	19 541
– straight-line accrual	(2 507)	(207)	260
Operating profit	3 527	5 910	8 962
Fair value adjustment to listed investments	279	288	12
Fair value adjustment to investment properties	9 737	10 756	2 340
Fair value adjustment to debentures	(6 876)	(10 055)	(1 052)
Profit on sale of investment property	1 840	–	–
Finance cost	–	(6)	(810)
Foreign exchange gains	624	588	–
Investment revenue	2 856	2 256	4 389
Dividends received	353	290	–
Profit before debenture interest	12 340	10 027	13 841
Debenture interest	(9 867)	(9 352)	(11 832)
Profit before taxation	2 473	675	2 009
Taxation	(2 473)	(675)	(2 009)
Comprehensive income attributable to shareholders	–	–	–

Profit and total comprehensive income attributable to:

– Owners of the parent	–	–	–
– Non-controlling interest	–	–	–

Reconciliation between profit attributable to shareholders and headline earnings per linked unit

Shares are traded as part of linked units

Profit attributable to linked shareholders*	–	–	–
Fair value adjustment to investment properties (net of taxation)	(7 921)	(9 250)	(2 012)
Headline and diluted headline loss attributable to shareholders	(7 921)	(9 250)	(2 012)
Fair value adjustment to debentures	6 876	10 055	1 052
Debenture interest	9 867	9 352	11 832
Headline and diluted headline profit attributable to linked unitholders	8 822	10 157	10 872

Distribution (debenture interest)*

Interim interest distribution per linked unit (cents)	5.2	5.0	10.0
Final interest distribution per linked unit (cents)	6.3	5.9	3.8
Total interest distribution per linked unit (cents)	11.5	10.9	13.8

Earnings per share

Basic and diluted earnings per share (cents)**	–	–	–
Headline and diluted headline loss per share (cents)**	(9.2)	(10.8)	(2.3)
Headline and diluted headline earnings per linked unit (cents)**	10.3	11.8	12.7
Net asset value per linked unit and net tangible asset value per linked unit (cents)**	168.1	160.1	148.4

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

* Debenture interest is calculated on the capital at a variable rate equal to 99.9% of the net profit of the company before taxation, but after adjusting for extraordinary income and expenditure, capital gains and losses, and capital expenditure.

** 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

	Reviewed 30 June 2012	Audited 30 June 2011	Audited 30 June 2010
Regional profile based on leasable area			
Eastern Cape	30%	29%	29%
Free State	9%	10%	12%
Gauteng	16%	20%	20%
KwaZulu-Natal	45%	41%	39%
Vacancy profile based on gross lease area			
Gross lease area in metres squared as at end of period*	21 436	24 356	25 108
Vacancy area in metres squared*	3 751	3 740	5 594
Vacancy area as % of gross lease area	17.5%	15.4%	22.3%
Regional vacancy profile			
Eastern Cape	0%	23%	12%
Free State	0%	0%	25%
Gauteng	40%	62%	52%
KwaZulu-Natal	60%	15%	12%

* Gross lease area and vacancy in the prior and current periods have been updated to exclude unlettable areas

Basis of preparation and accounting policies
 The accounting policies applied in the preparation of these reviewed condensed consolidated results for the year ended 30 June 2012, 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 30 June 2011 except for the early adoption of IAS 12 (Amended) – Income taxes. Restatements in the prior years are as a result of early adoption of IAS 12. Any other new amendments to IFRS and IFRIC interpretations did not impact on the financial position or performance of the company but has resulted in additional disclosures. These reviewed condensed consolidated results as set out in this report have been prepared in accordance and containing the information required by IAS 34 – Interim Financial Reporting, the AC 500 standards as issued by the Accounting Practices Board, the Companies Act of South Africa 71 of 2008, and the Listings Requirements of JSE Limited.

These reviewed condensed consolidated results for the year ended 30 June 2012 have been prepared in accordance with the historic cost basis, except for the measurement of investment properties, debentures 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, and have been prepared on a going concern basis.

Restatement of comparatives

During the period under review, the group has early adopted the amended IAS 12 – Income Taxes. This amendment is effective for annual periods beginning on or after 1 January 2012. IAS 12 has been updated to include a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. This resulted in a change to the rate of deferred taxation from 28% to the capital gains tax inclusion rate.

The effect of the changes are summarised as follows:

	30 June 2011 R'000	30 June 2010 R'000
Condensed consolidated statement of financial position		
Increase in deferred taxation	(3 220)	(1 523)
Increase in linked unit debenture premium	3 220	1 523
Condensed consolidated statement of comprehensive income		
Increase in fair value adjustment to debentures	1 697	833
Decrease in deferred taxation	(1 697)	(833)
Earnings per share and headline earnings per share		
Decrease in headline and diluted headline loss per share	(1.8)	(0.3)
Increase in headline and diluted headline earnings per linked unit	0.2	0.6
Increase in net asset value per linked unit and net tangible asset value per linked unit	3.8	1.8

The condensed consolidated financial results have been reviewed by the company's auditors, BDO South Africa Inc, in accordance with International Standards on Review Engagements 2410. They expressed an unmodified review opinion on the financial information for the year ended 30 June 2012. A copy of their report is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

Estimates and critical judgements

Except for the measurement of investment properties, debentures and certain financial assets and financial liabilities the financial statements do not include any material estimates.

The investment in related shareblock company, which constitutes the commercial portion of a mixed used building are classified as investment property and measured at fair value.

COMMENTARY

Introduction
 Fairvest is a property investment holding company with investments in commercial properties in South Africa. The group appointed a new asset management company in October 2011, which is in the process of implementing a significant growth strategy for the group, focusing on retail assets in non-metropolitan areas servicing the lower LSM market.

Linked unit holders are referred to the company's detailed announcement dated 17 July 2012 regarding the SA Corporate Real Estate Property Portfolio Acquisition, the Put Option Acquisition and the Isleno Property Portfolio Acquisition. The acquisitions will change the group materially. The quality of assets and sustainability of income will be significantly enhanced as a result of the acquisition. Further announcements on the transaction containing the proforma financial effect and the forecast financial information will be made shortly and a detailed circular will be distributed to linked unitholders in due course.

Review of results

The number of properties in the portfolio reduced to 10 during the year under review, as one vacant property was disposed of. During the year under review R23.0 million was spent on the development of a new A-grade single tenant office block with a further R20.0 million of capital committed. The project is scheduled for completion by November 2012 on time and on budget with occupation by the tenant in December 2012. The completed project will enhance the quality of the yield and asset value of the current portfolio.

Fairvest has commenced the redevelopment of the Blue Heights Shopping Centre, scheduled for completion by the end of the first quarter 2013. This project will position the asset to attract quality tenants and secure a more sustainable income.

During the period, the value of the property portfolio under management increased to R103.5 million and the investment property held for sale in the previous period was sold. The investment property held for sale in the current period was sold after year end.

Revenue increased by 8.1% to R18.9 million and if revenue previously derived from CAPAB House which was sold in the previous period is excluded, revenue increased by 12.2%.

Vacancies increased from 15.4% (restated to exclude unlettable space) in the previous year to 17.5%. The increase is as a result of the redevelopment of Blue Heights Shopping Centre which accounts for 59.5% of the vacant space and should be excluded, the vacancy decreased to 7.1%. Operating profit decreased by 12.1% to R2.9 million during the period under review. By excluding IFRS rental straight-line accrual adjustments, operating profits increased by 4.9%.

During the period under review Fairvest sold shares held in the Australian listed property sector to the value of R6.111 million (AU\$0.772 million) resulting in a realised gain of R1.159 million. These surplus funds were utilised in the development currently under way.

The group therefore declares a final distribution of 6.3 cents per linked unit for the six months ended 30 June 2012, bringing the total distribution for the year to 11.5 cents per linked unit, an increase of 5.5%. The restated net asset value increased from 160.1 cents per share to 168.1 cents per share.

Interest distributions and dividends

Interest on debentures have been calculated in terms of the Debenture Trust Deed. The final interest distribution of 6.3 cents per linked unit is payable to linked unitholders registered in the books of the company at the close of business on Friday, 5 October 2012. No dividend has been declared for the period in respect of the linked units.

Last date to trade linked units cum interest payment	Friday, 28 September 2012
Linked units commence trading ex interest payment	Monday, 1 October 2012
Record date	Friday, 5 October 2012
Payment date	Monday, 8 October 2012

Linked units may not be dematerialised or rematerialised between Monday, 1 October 2012, and Friday, 5 October 2012, both days inclusive.

Directorate

D Wilder was appointed as an executive director on 22 September 2011, with A Marcus appointed as his alternate to the board.

In accordance with paragraph 7.6(c) of the JSE Limited Listings Requirements, linked unitholders of Fairvest are hereby advised that Mr Pieter van der Merwe, an independent non-executive director of Fairvest, has been appointed as the Lead Independent Director with immediate effect.

Subsequent events

The investment property held for sale was disposed of after year end. The directors of Fairvest are not aware of any other material matter or circumstance arising between 30 June 2012 and this report which may materially affect the financial position of the Group or the results of its operations.

Appreciation