



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”)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of members of Fairvest Property Holdings Limited (“Fairvest” or “the Company”) in respect of the year ended 30 June 2012 will be held in the boardroom, 1st Floor East Wing, The Palms, 145 Sir Lowry Road, Cape Town on Monday, 5 November 2012, at 12:00.

PURPOSE

The purpose of the meeting is to transact the business set out in the agenda below.

This document is important and requires your immediate attention.

If you are in any doubt as to what action you should take, please consult your broker, Central Securities Depository Participant (“CSDP”), legal adviser, banker, financial adviser, accountant or other professional adviser immediately. If you have disposed of all your linked units in the Company, please forward this document, together with the enclosed form of proxy, to the purchaser of such shares or the broker, banker or other agent through whom you disposed of such linked units.

AGENDA

1. Presentation of the audited annual financial statement of the Company, including the reports of the directors and the audit committee for the year ended 30 June 2012. The annual report containing the complete audited annual financial statements will be available on the Company’s website at www.fairvest.co.za or can be obtained from the Company’s registered office from the date of this notice until, and at, the annual general meeting on 5 November 2012. A condensed version of the audited annual financial statements is included in Annexure A of this notice.
2. To consider and, if deemed fit, pass, with or without modification, the following ordinary and special resolutions:

For any of the ordinary resolution numbers 1 to 6 and 8 to be adopted more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution number 7 to be adopted, more than 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

1. **Ordinary Resolution Number 1 – Appointment of auditors**

“RESOLVED AS AN ORDINARY RESOLUTION that BDO South Africa Inc. are hereby reappointed as the auditors of the Company for the ensuing financial year. The audit and risk committee has recommended the reappointment of BDO South Africa Inc. as auditors of the Company.”

The reason for ordinary resolution number 1 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or reappointed at the annual general meeting of the Company as required by the Companies Act 71 of 2008, as amended (“Companies Act”).

2. **Ordinary Resolution Number 2 – Approval of the remuneration payable to the auditors**

“RESOLVED AS AN ORDINARY RESOLUTION that the auditor’s remuneration for the year ended 30 June 2012 as determined by the audit and risk committee of the Company be and is hereby confirmed.”

The reason for ordinary resolution number 2 is that the Memorandum of Incorporation (previously known as the Articles of Association) (“MOI”) of the Company requires that the remuneration of the auditor be considered at the annual general meeting of the Company.

3. **Ordinary Resolution Number 3 – Appointment of director (Mr M Epstein)**

“RESOLVED AS AN ORDINARY RESOLUTION that Mr M Epstein who retires by rotation in terms of the Company’s MOI and, being eligible, offers himself for re-election.”

Summarised *curriculum vitae* of Mr M Epstein appears in Annexure B of this report.

4. **Ordinary Resolution Number 4 – Appointment of director (Mr PJ van der Merwe)**

“RESOLVED AS AN ORDINARY RESOLUTION that Mr PJ van der Merwe who retires by rotation in terms of the Company’s MOI and, being eligible, offers himself for re-election.”

Summarised *curriculum vitae* of Mr PJ van der Merwe appears in Annexure B of this report.

The reason for ordinary resolution numbers 3 and 4 is that the MOI of the Company and, to the extent applicable, the Companies Act require that a component of the non-executive directors rotate at the annual general meeting and, being eligible, may offer themselves for re-election as directors.

5. **Ordinary Resolution Number 5 – Approve directors’ remuneration**

“RESOLVED AS AN ORDINARY RESOLUTION to approve the remuneration of the directors for the year ended 30 June 2012 as set out in the directors’ report of the audited annual financial statements.”

The reason for ordinary resolution number 5 is that the MOI of the Company requires that the remuneration paid to the directors be ratified at the annual general meeting of the Company.

6. **Ordinary Resolution Number 6 – Appointment of member of the audit and risk committee (Mr PJ van der Merwe)**

“RESOLVED AS AN ORDINARY RESOLUTION that, subject to his appointment as a director in terms of ordinary resolution number 4, Mr PJ van der Merwe, being eligible, be and are hereby appointed or reappointed as the case may be, as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company.”

Summarised *curriculum vitae* of Mr PJ van der Merwe appears in Annexure B of this report.

7. **Ordinary Resolution Number 7 – Appointment of member of the audit and risk committee (Mr LW Andrag)**

“RESOLVED AS AN ORDINARY RESOLUTION that Mr LW Andrag, being eligible, be and are hereby appointed or reappointed as the case may be, as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company.”

Summarised *curriculum vitae* of Mr LW Andrag appears in Annexure B of this report.

8. **Ordinary Resolution Number 8 – Appointment of member of the audit and risk committee (Mr JF du Toit)**

“RESOLVED AS AN ORDINARY RESOLUTION that Mr JF du Toit, being eligible, be and are hereby appointed or reappointed as the case may be, as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company.”

Summarised *curriculum vitae* of Mr JF du Toit appears in Annexure B of this report.

The reason for ordinary resolution numbers 6, 7 and 8 is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or reappointed, as the case may be, at each annual general meeting of the Company.

9. **Ordinary Resolution Number 9 – Placing unissued linked units under the control of the directors**

“RESOLVED AS AN ORDINARY RESOLUTION that all the authorised but unissued linked units of the Company, be and are hereby placed under the control of the directors until the next annual general meeting and that they be and are hereby authorised to issue any such linked units as they may deem fit, subject to the Companies Act, the MOI of the Company and the provisions of the Listings Requirements of the JSE Limited (“JSE”).”

The reason for ordinary resolution number 9 is that the board requires authority from linked unitholders in terms of its MOI to issue linked units in the Company. This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue linked units as may be required, inter alia, in terms of capital raising exercises and to maintain a healthy capital adequacy ratio.

10. **Ordinary Resolution Number 10 – General authority to issue linked units for cash**

“RESOLVED AS AN ORDINARY RESOLUTION that the directors of the Company and/or any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to allot and issue linked units for cash, to such person/s on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the Companies Act, the MOI of the Company and its subsidiaries and the JSE Listings Requirements from time to time, which currently provide, *inter alia*, the following limitations:

- the linked units which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such linked units or rights that are convertible into a class already in issue;
- any such issue may only be made to public unitholders as defined by the JSE Listings Requirements and not to related parties;
- the number of linked units issued for cash shall not in any one financial year, in the aggregate, exceed 15% (fifteen percent) of the number of issued linked units. The number of linked units which may be issued shall be based, *inter alia*, on the number of linked units in issue, added to those that may be issued in future (arising from the conversion of options/convertibles) at the date of such application, less any linked units issued or to be issued during the current financial year; plus any linked units to be issued pursuant to a rights issue which has been announced, is irrevocable and is fully underwritten, or an acquisition which has had final terms announced;
- this general authority will be valid until the earlier of the Company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- a paid press announcement giving full details, including the number of linked units issued, the average discount to the weighted average traded price of the linked units over the 30 days prior to the date that the price of the issue was determined or agreed by the directors of the Company, and the impact on net asset value per linked unit, net tangible asset value per linked unit, earnings per linked unit and headline earnings per linked unit, will be published when the Company has issued linked units representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of linked units in issue prior to the issue;
- in determining the price at which an issue of linked units may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on JSE of the linked units over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the directors of the Company;
- whenever the Company wishes to use linked units, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of linked units; and
- approval of the general issue for cash resolution by achieving a 75% majority of the votes cast in favour of such resolution by all linked unitholders present or represented by proxy at the annual general meeting

convened to approve such resolution. The resolution must be worded in such a way as to include the issue of any options/convertible linked units that are convertible into an existing class of linked units, where applicable."

The reason for ordinary resolution number 10 is that for listed entities to issue linked units for cash, it is necessary for the board not only to obtain the prior authority of the linked unitholders as may be required in terms of their MOI contemplated in ordinary resolution number 9 above but it is also necessary to obtain the prior authority of linked unitholders in accordance with the JSE Listings Requirements. The reason for ordinary resolution number 10 is accordingly to obtain a general authority from linked unitholders to issue linked units for cash in compliance with the JSE Listings Requirements.

11. Ordinary Resolution Number 11 – Authority to execute requisite documentation

"RESOLVED AS AN ORDINARY RESOLUTION that any director of the Company or the Company Secretary, where appropriate, be and hereby is authorised to do all such things and to sign all such documents issued by the Company and required to give effect to the special and ordinary resolutions passed at this meeting."

The reason for ordinary resolution number 11 is to provide the necessary authority to any director of the Company or the Company Secretary to implement the special and ordinary resolutions which are to be tabled at the annual general meeting.

For any special resolution to be adopted more than 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

12. Special Resolution Number 1 – Approve directors' remuneration to non-executive directors

"RESOLVED AS A SPECIAL RESOLUTION that remuneration payable to non-executive directors payable for the year ended 30 June 2013 will remain unchanged at R120 000 per year."

The passing of this special resolution will have the effect of approving the remuneration of each of the non-executive directors of the Company for the year ending 30 June 2013 in accordance with section 66(9) of the Companies Act.

13. Special Resolution Number 2 – Acquisition of own linked units

"RESOLVED AS A SPECIAL RESOLUTION that the mandate be given to the Company (or any of its wholly owned subsidiaries) providing authorisation, by way of a general approval, to acquire the Company's own linked units, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the Company's MOI, the provisions of the Companies Act and the JSE Listings Requirements, provided that:

- any repurchase of linked units must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- at any point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf;
- this general authority will be valid until the Company's next annual general meeting, provided that it shall

not extend beyond 15 (fifteen) months from the date of passing of this special resolution (whichever period is shorter);

- an announcement be published as soon as the Company has cumulatively repurchased 3% (three percent) or more of the initial number (the number of that class of linked units in issue at the time that the general authority is granted) of the relevant class of linked units and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, containing full details of such repurchases;
- repurchases by the Company, and/or its subsidiaries, in aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued share capital as at the date of passing this special resolution or 10% (ten percent) of the Company's issued share capital in the case of an acquisition of linked units in the Company by a subsidiary of the Company;
- a resolution has been passed by the board of directors approving the repurchase, that the Company has satisfied the solvency and liquidity test as defined in terms of the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position of the group;
- repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the linked units for the 5 (five) business days immediately preceding the date on which the transaction was effected; and
- repurchases may not be undertaken by the Company or one of its wholly owned subsidiaries during a prohibited period and may also not be undertaken if they will impact negatively on unitholder spread as required by the JSE."

The board of directors undertake that, to the extent it is still required by the JSE Listings Requirements and the Companies Act, they will not implement the repurchase as contemplated in this special resolution while this general authority is valid, unless:

- the Company and its subsidiaries ("the Group") will be able, in the ordinary course of business, to pay its debts for a period of 12 (twelve) months after the date of such repurchase;
- the assets of the Company and the Group, recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements, will exceed the liabilities of the Company and the Group for a period of 12 (twelve) months after the date of such repurchase;
- the Company's and the Group's ordinary share capital and reserves will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of such repurchase;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of such repurchase; and
- a resolution is passed by the board of directors that they have authorised the repurchase, that the Company passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and that since the solvency and liquidity test was performed there have been no material changes to the financial position of the Group."

Reason for and effect of the special resolution

The reason for the passing of the above special resolution is to grant the Company a general authority in terms of the Companies Act for the acquisition by the Company or any of its subsidiaries of linked units issued by the Company, which authority shall be valid until the earlier of the next annual general meeting, or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company; provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this general meeting. The passing and registration of this special resolution will have the effect of authorising the Company or any of its subsidiaries to acquire linked units issued by the Company.

The following information, which is required by the JSE Listings Requirements with regard to the resolution granting a general authority to the Company to repurchase linked units, appears in Annexure B of this report:

- directors of the Company;
- major unitholders;
- directors' interests in securities;
- share capital of the Company;
- responsibility statement; and
- material changes.

14. Special Resolution Number 3 – Intercompany loans

"RESOLVED AS A SPECIAL RESOLUTION in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or interrelated to the Company ("related" or "interrelated" will herein have the meaning attributed to it in section 2 of the Companies Act, to the Company, on the terms and conditions and for amounts that the board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect of special resolution number 3 is to grant the directors of the Company the authority until the next annual general meeting to provide financial assistance to any company or corporation which is related or interrelated to the Company. This means that the Company is authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

Litigation statement

There are no legal or arbitration proceedings, either pending or threatened against the Company or its subsidiaries, of which the Company is aware, which may have, or have had in the last 12 (twelve) months, a material effect on the financial position of the Company or its subsidiaries.

Statement by the board of directors of the Company pursuant to and in terms of the JSE Listings Requirements.

The directors of the Company hereby state that:

- (a) the intention of the directors of the Company is to utilise the authority if, at some future date, the cash resources of the Company are in excess of its

requirements. In this regard the directors will take account of, *inter alia*, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company and will ensure that any such utilisation is in the interests of the unitholders; and

- (b) the method by which the Company intends to repurchase its linked units and the date on which such repurchase will take place, have not yet been determined.

At the time that the contemplated repurchase is to take place, the directors of the Company will ensure that:

- the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the annual general meeting;
- the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries for a period of 12 (twelve) months after the date of the annual general meeting;
- the issued share capital and reserves of the Company and its subsidiaries will be adequate for the purpose of the business of the Company and its subsidiaries for a period of 12 (twelve) months after the date of the annual general meeting;
- the working capital available to the Company and its subsidiaries will be sufficient for the Group's requirements for a period of 12 (twelve) months after the date of the annual general meeting; and
- the Company will provide its sponsor and the JSE with all documentation as required in Schedule 25 of the JSE Listings Requirements, and will not commence any repurchase programme until the sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly and the JSE has approved this documentation.

15. Other business

To transact such other business as may be transacted at an annual general meeting or raised by linked unitholders with or without advance notice to the Company.

Voting and proxies

A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and vote in his/her stead, subject to the general instructions attached to this notice. Any proxy so appointed need not be a member of the Company.

The date on which linked unitholders must have been recorded as such in the linked unit register maintained by the transfer secretaries of the Company for purposes of being entitled to receive this notice is Friday, 28 September 2012.

The date on which linked unitholders must be recorded in the linked unit register maintained by the transfer secretaries of the Company for purposes of being entitled to attend and vote at the annual general meeting is Friday, 26 October 2012, with the last day to trade being Friday, 19 October 2012.

For the convenience of registered members of the Company, a form of proxy is enclosed herewith. The attached form of proxy is only to be completed by those members who:

- hold linked units in certificated form; or
- are recorded on the sub-register in "own name" dematerialised form.

Linked unitholders who have dematerialised their linked units through a Central Securities Depository Participant (“CSDP”) or broker without “own name” registration and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with the relevant letter of representation to attend the meeting in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms must be received at the registered office of the Company, or at the office of the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) at least 48 hours, excluding Saturdays, Sundays and public holidays, before the time of the annual general meeting.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the annual general meeting and must accordingly bring a copy of their identity document, passport or driver’s licence to the annual general meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

By order of the Board

J van der Merwe (on behalf of SecCorp Secretarial Services (Proprietary) Limited)
Company Secretary

5 October 2012

Registered office address
1st Floor East Wing, The Palms
145 Sir Lowry Road
Cape Town
8001

Postal address
PO Box 4083
Durbanville
7551

General instructions

All members are encouraged to attend the annual general meeting of the Company.

1. The date on which linked unitholders must have been recorded as such in the linked unit register maintained by the transfer secretaries of the Company for purposes of being entitled to receive this notice is Friday, 28 September 2012.
2. The date on which linked unitholders must be recorded in the linked unit register maintained by the transfer secretaries of the Company for purposes of being entitled to attend and vote at the annual general meeting is Friday, 26 October 2012, with the last day to trade being Friday, 19 October 2012.
3. All registered holders of linked units in the Company are entitled to attend, speak and vote at the annual general meeting.
4. Please note that the Company has moved to the JSE’s electronic settlement systems Share Transfers Totally Electronic (STRATE). If you are a dematerialised unitholder (i.e. you have replaced your paper unit certificates with electronic records of ownership under STRATE) and are not an own name dematerialised linked unitholder then:

- 4.1 If you wish to attend the annual general meeting you should contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from them. The letter of representation must be obtained within the time period required by your CSDP or broker, as the case may be, and allow them sufficient time to provide such letter to the Company Secretary prior to the annual general meeting;

or, alternatively,

If you are unable to attend the annual general meeting, you must contact the CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the annual general meeting in accordance with the mandate between yourself and the CSDP or broker, as the case may be. You should not complete the attached form of proxy. If your CSDP or broker does not obtain voting instructions from you in respect of the annual general meeting, it will be obliged to act in terms of your mandate. The instructions must be provided within the time period required by your CSDP or broker, as the case may be.

- 4.2 If you hold certificated linked units (i.e. you have not dematerialised your linked units in the Company) or are an own name dematerialised linked unitholder, then: You may attend and vote at the annual general meeting;

or, alternatively

You may appoint a proxy to represent you at the annual general meeting by completing the attached form of proxy and returning it to the registered office of the Company by no later than 48 hours prior to the commencement of the meeting, excluding Saturdays, Sundays and public holidays.

REVISED CONDENSED CONSOLIDATED RESULTS



Audited condensed consolidated results for the year ended 30 June 2012

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited 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	2 636
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			
Equity and reserves	857	857	857
Ordinary share capital	147 043	138 006	126 555
Non-current liabilities	143 331	136 455	126 400
Linked unit debentures and premium	3 712	1 551	155
Deferred taxation	15 487	8 165	17 357
Current liabilities	—	35	2 017
Taxation	15 487	8 130	15 340
Trade and other payables	163 387	147 028	144 769
Total equity and liabilities			

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Audited 12 months to 30 June 2012 R'000	Audited 15 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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Audited 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)	(610)
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			
– Non-controlling interest	(7 921)	(9 250)	(2 012)
Profit attributable to linked shareholders*	(7 921)	(9 250)	(2 012)
Fair value adjustment to investment properties (net of taxation)	6 876	10 055	1 052
Headline and diluted headline loss attributable to shareholders	9 867	9 352	11 832
Fair value adjustment to debentures	8 822	10 157	10 672
Debt interest	—	—	—
Headline and diluted headline profit attributable to linked unitholders	18 689	19 509	22 504
Distribution (debt interest)*	(18 689)	(19 509)	(22 504)
Interim interest distribution per linked unit	0.00	0.00	0.00

OTHER SEGMENTAL INFORMATION

	Audited 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 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 audited 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 audited 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 Companies Act 71 of 2008 and the Listings Requirements of JSE Limited.

These audited consolidated results for the year ended 30 June 2012 have been prepared in accordance with the historical financial statements of the company, which are presented in South African Rand. 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
Due to the new tax law, 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		
Decrease 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		
Increase in headline and diluted earnings per share	(1.8)	(0.3)
Increase in headline and diluted 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

Auditors' report
The audited financial results for the year ended 30 June 2012 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. 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.
The annual general meeting of linked unitholders of Fairvest will be held at its registered office on Monday, 5 November 2012 at 12:00.

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 Isoleni 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 that 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 IHS 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 R6.11 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 for 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. Vindler 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

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

5 October 2012

Cape Town

www.fairvest.co.za

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

	Share capital R'000	Retained income R'000	Total income R'000	linked unit (cents)	5.2	5.0	10.0
Balance at 1 April 2009	857	-	857	Final interest distribution per linked unit (cents)	6.3	5.9	3.8
Total comprehensive income for the period	-	-	-	Total interest distribution per linked unit (cents)	11.5	10.9	13.8
Balance at 30 June 2010	857	-	857	Earnings per share	-	-	-
Total comprehensive income for the period	-	-	-	Basic and diluted earnings per share (cents)**	(9.2)	(10.8)	(2.3)
Balance at 30 June 2011	857	-	857	Headline and diluted headline loss per share (cents)**	10.3	11.8	12.7
Total comprehensive income for the period	-	-	-	Net asset value per linked unit and net tangible asset value per linked unit (cents)**	168.1	160.1	148.4
Balance at 30 June 2012	857	-	857	Linked unit statistics (excluding treasury shares)	85 795 988	85 795 988	85 795 988
				Linked units in issue	85 721 966	85 721 966	85 721 966
				Effective linked units in issue	85 721 966	85 721 966	85 721 966
				Weighted average number of linked units	85 721 966	85 721 966	85 721 966

STATEMENTS OF CHANGES IN LINKED UNIT DEBENTURES

	Linked unit debenture capital R'000	Linked unit debenture fair value 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
Restated balance as at 30 June 2010	857	125 543	126 400
Restatement	-	1 697	1 697
Net fair value adjustment	-	8 358	8 358
Net fair value adjustment	-	135 598	136 455
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

	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	1 162	1 651	7 994	-	-	18 928
Intersegmental revenue	-	-	-	2 264	(2 264)	-
Operating profit	568	(6)	2 848	-	(3 903)	3 527
Total assets	7 801	17 850	70 560	-	30 667	163 387
FOR THE 12 MONTHS ENDED 30 JUNE 2011						
Revenue – external customers	1 036	1 001	7 398	-	-	17 502
Intersegmental revenue	-	-	-	1 285	(1 285)	-
Operating profit	(408)	(671)	4 253	-	(2 476)	5 910
Total assets	6 459	18 463	42 961	-	42 429	147 028
FOR THE 15 MONTHS ENDED 30 JUNE 2010						
Revenue – external customers	982	1 090	8 324	-	-	19 541
Intersegmental revenue	-	-	-	3 866	(3 866)	-
Operating profit	501	(158)	4 133	-	(2 433)	8 962
Total assets	4 686	16 439	37 243	-	51 040	144 769

DIRECTORS: Executive: Darren Wilber (Chief Executive Officer), BJ Kriel (Financial Director), Adam Marcus (Non-executive), JF du Toit (Chairman), M Epstein, P J van der Merwe (Lead Independent Non-executive), LW Andrago (Independent), COMPANY SECRETARY: SeeCorp Secretarial Services (Proprietary) Limited, REGISTERED OFFICE: 1st Floor East Wing, The Pains, 145 St Lowy Road, Cape Town, 8001, PO Box 4083, Durbanville, 7551, TRANSFER SECRETARIES: Proprietary Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, PO Box 61 051, 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: 1998/00501/106) Linked unit code: FVT, ISIN: ZAE000034658 "Fairvest" or "the group")

GENERAL INFORMATION

1. DIRECTORS

The Company's directors are as follows:

JF (Jacques) du Toit (age 41)

Non-executive Chairman

Jacques has been on the Fairvest board since October 2007 as a non-executive director. Jacques is a Chartered Financial Analyst and has been involved in the financial services industry since joining HSBC Simpson McKie as a stockbroker in 1998. He has joined the portfolio management side at HSBC in 2003 and headed up the investment process until 2005 when he joined Investec Securities Limited as senior portfolio manager. In August 2008 he jointly set up a financial services company, Cohesive Capital. He serves as a director on the boards of a number of private companies.

BJ (Jacques) Kriel (age 33)

Financial director

Jacques has been the CEO and financial director of Fairvest since February 2010. Jacques is a qualified as a Chartered Accountant. After completing his training he relocated to the United Kingdom where he joined Ernst & Young London's audit division. Jacques joined the Bank of England in 2008 and was, until he joined Fairvest, responsible for the financial reporting of the United Kingdom's Foreign Currency Reserves.

D (Darren) Wilder (age 44)

CEO

Darren worked for Seeff Properties in various positions from 1991 until 1997. During 1997 he was appointed to the board of the then JSE-listed company Capital Alliance Properties and was a participant in its management buy-out. Darren co-founded Spearhead Property Group and was part of the team that listed the company on the JSE. He was appointed COO in 1999. Darren's work experience also includes national leasing director for Madison Properties, business development director of the V&A Waterfront and also a consultant to the chief executive officer of the V&A Waterfront.

A (Adam) Marcus (age 39)

COO

Adam graduated in 1995 from the University of Cape Town with a BSc (CM) after which he joined Golding Commercial. During his time with Golding Commercial, he headed up the investment sales division, structuring investment and development transactions. During 1999, he founded Gateway Property Developments, which has a 12-year track record of delivering commercial property developments.

M (Martin) Epstein (age 42)

Non-executive director

Martin has been in the property industry for over 15 years and has gained experience in both the development and investment sectors, with total projects exceeding R1 billion. Martin has grown a number of property businesses organically, having the skills and expertise to manage and maintain sizeable developments and property portfolios. Martin is the CEO of Blend Property Group (Proprietary) Limited, an asset and property management business.

PJ (Pieter) van der Merwe (age 64)

Lead independent non-executive director

Pieter has over 30 years experience in senior management. Pieter is currently an executive director/owner of various companies in the local and international retail, packaging manufacturing, property development, chemical manufacturing, and residential and industrial property ownership and letting industries.

LW (Louis) Andrag (age 39)

Independent non-executive director

Louis obtained his BEng and MBA degrees from the University of Stellenbosch. He joined a private company in the agricultural industry in 1999 as Divisional Manager. He started his own property development and investment company in 2009. He serves as chairman and director on the boards of a number of private companies.

2. DIRECTORS INTEREST IN SECURITIES

2012

Name	Beneficial holdings		Non-beneficial holdings		%
	Direct	Indirect	Direct	Indirect	
BJ Kriel	–	21 500 000	–	–	25.06
JF du Toit	–	51 600 078	–	–	60.14
Total	–	73 100 078	–	–	85.20

2011

Name	Beneficial holdings		Non-beneficial holdings		%
	Direct	Indirect	Direct	Indirect	
BJ Kriel	–	21 500 000	–	–	25.06
JF du Toit	–	51 600 078	–	–	60.14
Total	–	73 100 078	–	–	85.20

Note:

There has been no change in the directors' interest from the financial year-end of the Company up until the approval of the financial statements.

3. MAJOR UNITHOLDERS

	Number of linked unitholders	Percentage of linked unitholders	Number of linked units	Percentage of linked units
Linked unitholder spread				
1 – 1 000 linked units	886	84.54	81 984	0.10
1 001 – 10 000 linked units	61	5.82	247 350	0.29
10 001 – 100 000 linked units	64	6.11	2 423 413	2.82
100 001 – 1 000 000 linked units	29	2.77	8 349 632	9.73
1 000 001 linked units and over	8	0.76	74 693 609	87.06
Total	1 048	100.00	85 795 988	100.00
Public/non-public linked unitholders				
<i>Non-public members</i>	8	0.77	73 174 080	85.29
Directors and associates of the Company holdings	7	0.67	73 100 078	85.20
Own holdings	1	0.10	74 002	0.09
Public linked unitholders	1 040	99.23	12 621 908	14.71
Public linked unitholders	1 048	100.00	85 795 988	100.00

4. SHARE CAPITAL OF THE COMPANY AT 30 JUNE 2012

Authorised

300 000 000 (2011: 300 000 000) ordinary shares with a par value of 1 cent each.

30 000 000 (2011: 30 000 000) cumulative redeemable convertible preference shares of 1 cent each.

Issued

85 795 988 (2011: 85 795 988) ordinary shares of 1 cent each.

During the year no shares were issued

5. MATERIAL CHANGES

There has been no material change in the financial or trading position of the Company and its subsidiaries subsequent to the Company's financial year-end, being 30 June 2012 other than the resolutions to be passed at the general shareholders' meeting to be held on 5 November 2012 at 11:00.

6. RESPONSIBILITY STATEMENT

The directors whose names are given on page 8 of this Annexure collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the notice contains all information required by law and the Listings Requirements of the JSE.



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”)

FORM OF PROXY

For the sole use by the following holders of linked units in the Company at the annual general meeting of the Company to be held in the boardroom, 1st Floor East Wing, The Palms, 145 Sir Lowry Road, Cape Town on Monday, 5 November 2012 at 12:00 and at any adjournment thereof:

- certificated linked unitholders; and
- CSDP nominee companies, brokers' nominee companies and dematerialised linked unitholders who have elected “own name” registration.

Forms of proxy must be completed and delivered to the Company's registered office, 1st Floor East Wing, 145 Sir Lowry Road, Cape Town, 8001 (PO Box 4083, Durbanville, 7551) or to the Transfer Secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61061, Marshalltown, 2107) to be received by no later than 11:00 on Thursday, 1 November 2012.

I/We (Please PRINT names in full)

of (address)

Telephone work: ()

Telephone home: ()

being the holder/custodian of linked units in the Company, hereby appoint

1. or failing him/her,
2. or failing him/her,
3. the Chairman of the meeting,

as my/our proxy to attend and speak out and, on a poll, vote for me/us on my/our behalf at the annual general meeting of the Company to be held at 1st Floor East Wing, The Palms, 145 Sir Lowry Road, Cape Town for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against and/or abstain from voting in respect of the linked units in the issued capital of the Company registered in my/our name in accordance with the following instructions:

Resolution	In favour of	Against	Abstain
Ordinary Resolution Number 1 – Appointment of auditors			
Ordinary Resolution Number 2 – Auditors' remuneration			
Ordinary Resolution Number 3 – Appointment M Epstein as a director			
Ordinary Resolution Number 4 – Appointment of PJ van der Merwe as a director			
Ordinary Resolution Number 5 – Approve directors' remuneration			
Ordinary Resolution Number 6 – Appointment of PJ van der Merwe as member of the audit and risk committee			
Ordinary Resolution Number 7 – Appointment of LW Andrag as member of the audit and risk committee			
Ordinary Resolution Number 8 – Appointment of JF du Toit as member of the audit and risk committee			
Ordinary Resolution Number 9 – Placing unissued linked units under the control of the directors			
Ordinary Resolution Number 10 – General authority to issue linked units for cash			
Ordinary Resolution Number 11 – Authority to execute requisite documentation			
Special Resolution Number 1 – Approve directors' remuneration to non-executive directors			
Special Resolution Number 2 – Acquisition of own linked units			
Special Resolution Number 3 – Intercompany loans			

(Indicate instruction to proxy by way of a “X” in the space provided above.

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this:

day of

2012

Signature

Capacity of signatory (where applicable)

Please read the notes on the reverse side hereof.

Notes to the form of proxy

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the spaces provided, with or without deleting "the Chairman of the meeting" but, any such deletion must be initialled by the member. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of linked units than the total number of linked units that you own in the Company, insert the number of linked units held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable thereat. A member or his/her proxy is not obliged to use all the votes exercisable by the member or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member or by his/her proxy.
3. Holders of dematerialised linked units must inform their CSDP or broker of whether or not they intend to attend the annual general meeting and obtain the necessary authorisation from their CSDP or broker to attend the annual general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the annual general meeting in person.
4. Forms of proxy must be received at the registered office of the Company, 1st Floor East Wing, 145 Sir Lowry Road, Cape Town, 8001 (PO Box 4083, Durbanville, 7551) or to the Transfer Secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 11:00 on Thursday, 1 November 2012.
5. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the Chairman of the annual general meeting.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.
9. The Chairman of the annual general meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the Chairman is satisfied as to the manner in which the member wishes to vote.