



CLICKS GROUP
LIMITED

ANNUAL GROUP RESULTS
for the year ended 31 August 2011



Retail turnover up
10.9%

Diluted headline
EPS up
18.1%

Total distribution of
125.0 cents

Return on equity increases to
62.2%

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FINANCIAL SUMMARY

		Year to 31 August 2011	Year to 31 August 2010	% change	
Consolidated statement of comprehensive income					
Turnover	R'000	14 102 919	13 276 277	6.2%	
Gross profit	R'000	3 223 746	2 903 592	11.0%	
Total income	R'000	3 912 681	3 529 684	10.9%	
Headline earnings	R'000	655 432	575 609	13.9%	
Net interest charge	R'000	(33 626)	(38 751)	(13.2%)	
Consolidated statement of financial position					
Equity	R'000	965 187	1 141 328	(15.4%)	
Interest-bearing borrowings	R'000	375 236	133 171	181.8%	
Total assets	R'000	4 254 783	4 110 138	3.5%	
Consolidated statement of cash flows					
Net cash effects of operating activities	R'000	381 564	188 386	102.5%	
Capital expenditure	R'000	225 926	231 667	(2.5%)	
Depreciation and amortisation	R'000	158 285	136 775	15.7%	
Performance					
Turnover growth	%	6.2	9.0		
Comparable stores' turnover growth	%	6.9	11.2		
Gross profit growth	%	11.0	15.3		
Gross profit margin	%	22.9	21.9		
Total income growth	%	10.9	14.5		
Total income margin	%	27.7	26.6		
Operating margin	%	6.6	6.2		
Inventory days		60	55		
Current ratio	:1	0.9	1.0		
Return on total assets	%	15.7	13.9		
Return on shareholders' interest	%	62.2	50.8		
Shareholders' interest to total assets	%	22.7	27.8		
Interest-bearing debt to shareholders' interest at year-end	%	38.9	11.7		
Interest-bearing debt, including cash, to shareholders' interest at year-end	%	37.1	(1.7)		
Statistics					
Number of permanent employees		8 309	8 064	3.0%	
Number of stores		590	561	5.2%	
Weighted retail trading area	m ²	224 000	212 769	5.3%	
Share statistics					
Number of ordinary shares in issue (gross)	'000	270 652	284 007	(4.7%)	
Number of ordinary shares in issue (net of treasury shares)	'000	252 959	266 283	(5.0%)	
Weighted average number of shares in issue (net of treasury shares)	'000	262 118	271 073	(3.3%)	
Weighted average diluted number of shares in issue (net of treasury shares)	'000	262 515	272 277	(3.6%)	
Headline earnings per share	cents	250.1	212.3	17.8%	
	- basic				
	- diluted	cents	249.7	211.4	18.1%
Distribution per share	cents	37.0	30.5	21.3%	
	- interim				
	- final	cents	88.0	75.7	16.2%
Distribution cover	times	2.0	2.0		
Share price	cents	4 170	3 750	11.2%	
	- closing				
	- high	cents	4 706	3 799	
	- low	cents	3 500	1 960	
Net asset value per share	cents	382	429	(11.0%)	
Net tangible asset value per share	cents	221	271	(18.5%)	
Market capitalisation (gross)	R'000	11 286 188	10 650 263	6.0%	
Market capitalisation (net of treasury shares)	R'000	10 548 390	9 985 613	5.6%	
Price earnings ratio	times	16.7	17.7		
Volume of ordinary shares traded	'000	466 251	306 424		
Percentage of ordinary shares traded	%	177.9	113.0		
Free float	%	93.2	93.5		
Shareholders' return	cents	5.45	1.826		
Increase in share price	cents	420	1 720		
Distribution per share	cents	125	106		
Other information					
Inflation rate					
CPI	%	5.3	3.5		
Internal selling price inflation	%	1.6	5.4		
Interest rates					
Prime overdraft rate	- closing	%	9.0	10.0	
	- average	%	9.1	10.3	
FTSE/USE Africa share indices					
All Share Index		31 006	27 254	13.8%	
General Retailers Index		45 547	34 216	33.1%	
Food and Drug Retailers Index		58 993	51 349	14.9%	
Exchange rate					
Rand/US dollar	- closing	RUS\$	7.07	7.37	
	- average	RUS\$	6.91	7.27	

COMMENTARY

Operating margin up to
6.6%



Overview

Trading conditions became increasingly challenging during the year and the group also encountered the high base set in 2010, which included the FIFA 2010 World Cup™. Selling price inflation continued to decline and averaged only 1.6% for the year, compared to 5.4% in the previous year, which impacted turnover growth by almost four percentage points.

In this environment, the Clicks chain reported strong growth in turnover and operating profit as the brand showed real sales volume growth and continued to gain market share. The performance of UPD, the group's pharmaceutical wholesaler, was negatively impacted by the absence of an increase in the single exit price (SEP) of medicines by the Department of Health for 2011.

The group continues to be highly cash generative and remains committed to returning excess capital to shareholders, repurchasing shares totalling R552 million during the year.

Return on shareholders' equity (ROE) increased from 50.8% to 62.2% for the year, boosted by share buy-backs of approximately R300 million in the last six months of the financial year. Management has increased the medium-term target for ROE to 55% – 65%.

Financial performance

Retail turnover growth of 10.9% was driven by the strong performance of the Clicks chain which reported sales growth of 13.0%. Selling price inflation for the retail businesses was 0.6% for the year compared to 5.4% in 2010. UPD increased turnover by 4.2% as price inflation in the wholesale business declined to 3.3%. Group turnover was 6.2% higher at R14.1 billion.

Total income, comprising gross profit and total income, increased by 10.9%.

Operating expenses increased by 9.9%. Expense growth was well contained in the second half of the year, with retail costs growing by 7.7%. UPD reduced expenses by 5.6% in the second six

months through improved operating efficiencies, and expenses for the year were 0.1% lower than 2010.

Operating margin improved by 40 basis points to 6.6%, resulting in a 13.9% increase in operating profit for the period.

Headline earnings increased by 13.9% to R655 million. Diluted headline earnings rose by 18.1% to 249.7 cents, benefiting from the group's share buy-back programme. Diluted HEPS has grown at a compound rate of 28.6% over the past five years.

A final distribution of 88.0 cents per share has been declared, bringing the total distribution for the year to 125.0 cents, an increase of 17.7%.

Inventory days in stock moved from 55 to 60 days and inventory levels were 14.7% higher at year-end, mainly as a result of stock levels in UPD returning to normalised levels.

Cash inflow from operations increased by R244 million over 2010 to R677 million, with R226 million used for capital expenditure and R848 million returned to shareholders through share buy-backs and distributions.

Trading performance

Clicks posted real sales growth of 12.0% and continued to grow its share of the increasingly competitive healthcare market. Clicks opened its 400th store in August 2011 as 31 new outlets were added during the period, the highest number in a single year. The national pharmacy footprint was extended to 283 with the opening of a further 32 dispensaries. The Clicks operating margin improved from 6.9% to 7.7% owing to good buying and supply chain management, while Clicks maintained its aggressive pricing strategy. Operating profit increased by 25.8%.

Musica's performance slowed in the second half and turnover for the year was 5.9% lower as the decline in the CD and DVD markets accelerated. Musica maintained market shares and showed good growth in gaming, technology and accessories.



Opened
400th
Clicks store

The Body Shop's operating profit increased by 3.5% despite the brand experiencing price deflation of 6.6%.

UPD increased wholesale turnover by 4.2%, impacted by lower inflation, further decline in independent pharmacies and the changing product mix with faster growth in sales of lower value generic medicines. Operating profit was 19.4% lower than the prior year owing to the lack of a trading gain on SEP. Despite the challenging conditions UPD increased its share of the private pharmaceutical wholesale market from 22.7% to 23.1%.

Prospects

Consumer spending is expected to remain muted in the current uncertain economic climate. Inflation is anticipated to remain low and no SEP increase is expected for 2012. The group will face increasing cost pressures in employment, property, transport and utilities.

The focus for the year ahead will therefore be on driving volume and containing costs.

The group remains well positioned in the medium term through the market leadership and growth potential of its brands.

Capital expenditure of R257 million has been committed for 2012 and trading space is planned to increase by 4% to 5%.

As a result of the group's continued strong cash generation, the board has resolved to reduce the distribution cover from 2.0 to 1.8 times from the 2012 financial year, which will further enhance returns to shareholders.

Shareholder distribution

The board of directors has approved a final distribution of 88.0 cents per ordinary share (2010: 75.7 cents per share) subject to the approval being granted by shareholders at the general meeting to be held on 17 January 2012. The source of the ordinary distribution will be a capital reduction out of share premium.

In addition the board has approved a distribution of 12.5 cents per ordinary "A" share. The distribution is declared in terms of the rules of the employee share ownership programme implemented with effect 2 February 2011 that entitles the ordinary "A" shareholders to an annual distribution equal to 10% of the cumulative distribution declared in relation to an ordinary share in a financial year. The source of the ordinary "A" share distribution will be from distributable reserves.

Shareholders are advised of the following salient dates relating to the distributions:

Last day to trade "cum" the distribution	Friday, 20 January 2012
Shares trade "ex" the distribution	Monday, 23 January 2012
Record date	Friday, 27 January 2012
Payment to shareholders	Monday, 30 January 2012

Share certificates may not be dematerialised or rematerialised between Monday, 23 January 2012 and Friday, 27 January 2012, both days inclusive.

The directors of the company have determined that dividend cheques amounting to R50.00 or less due to any one ordinary shareholder will not be paid unless a written request to the contrary is delivered to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, by no later than close of business on Friday, 20 January 2012, being the day that the shares trade "cum" the distribution. Unpaid dividend cheques will be aggregated with other such amounts and donated to a charity to be nominated by the directors.

By order of the board
David Janks
Company secretary
20 October 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Year to 31 August 2011	Year to 31 August 2010	% change	
Revenue	14 800 089	13 912 673		
Turnover	14 102 919	13 276 277	6.2%	
Cost of merchandise sold	(10 879 173)	(10 372 685)	4.9%	
Gross profit	3 223 746	2 903 592	11.0%	
Other income	688 935	626 092	10.0%	
Total income	3 912 681	3 529 684	10.9%	
Expenses	(2 975 091)	(2 706 412)	9.9%	
Depreciation and amortisation	(149 714)	(128 095)	16.9%	
Occupancy costs	(422 596)	(399 746)	8.4%	
Employment costs	(1 496 491)	(1 399 378)	6.9%	
Other costs	(906 290)	(789 193)	14.8%	
Operating profit	937 590	823 272	13.9%	
Loss on disposal of property, plant and equipment	(6 250)	(6 476)	(3.5%)	
Impairment of intangible asset	-	(7 685)		
Profit before financing costs	931 340	809 111	15.1%	
Net financing costs	(33 626)	(38 751)	(13.2%)	
Financial income	8 235	10 304	(20.1%)	
Financial expense	(41 861)	(49 055)	(14.7%)	
Profit before taxation	897 714	770 360	16.5%	
Income tax expense	(246 749)	(206 550)	19.5%	
Profit for the year	650 965	563 810	15.5%	
Other comprehensive income/(loss):				
Exchange differences on translation of foreign subsidiaries	(220)	(1 368)		
Cash flow hedges	2 105	-		
Change in fair value of effective portion	2 924	-		
Deferred tax on movement of effective portion	(819)	-		
Other comprehensive income/(loss) for the year, net of tax	1 885	(1 368)		
Total comprehensive income for the year	652 850	562 442		
Profit attributable to:				
Equity holders of the parent	650 932	565 413		
Non-controlling interest	33	(1 603)		
	650 965	563 810		
Total comprehensive income attributable to:				
Equity holders of the parent	652 817	564 045		
Non-controlling interest	33	(1 603)		
	652 850	562 442		
Reconciliation of headline earnings				
Total profit for the year attributable to equity holders of the parent	650 932	565 413		
Adjusted for:				
Loss on disposal of property, plant and equipment	4 500	4 663		
Impairment of intangible assets	-	5 533		
Headline earnings	655 432	575 609	13.9%	
Headline earnings per share (cents)				
- basic	250.1	212.3	17.8%	
- diluted	249.7	211.4	18.1%	
Earnings per share (cents)				
- basic	248.3	208.6	19.0%	
- diluted	248.0	207.7	19.4%	
Weighted average number of shares in issue (net of treasury shares)	('000)	262 118	271 073	(3.3%)
Weighted average diluted number of shares in issue (net of treasury shares)	('000)	262 515	272 277	(3.6%)



HOLDSPORT LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS
FOR THE HALF-YEAR ENDED 31 AUGUST 2011

TO VIEW THE RESULTS ONLINE VISIT
www.holdsport.co.za

SALES
↑ 7.2% TO R546.3 MILLION

CORE HEADLINE EARNINGS PER SHARE
↑ 22.3% TO 159.2 CENTS

STRONG CASH FLOW FROM
OPERATING ACTIVITIES

INTERIM DIVIDEND DECLARED
OF 47 CENTS PER SHARE

Condensed Consolidated Statements of Financial Position

	31 August 2011 Unaudited R'000	31 August 2010 Unaudited R'000	31 August 2010 Pro forma R'000	28 February 2011 Audited R'000
Assets				
Non-current assets				
Plant and equipment	44 554	47 817	47 817	47 438
Goodwill and other intangibles	644 360	656 914	656 914	650 637
Total non-current assets	688 914	704 731	704 731	698 075
Current assets				
Inventory	247 828	241 530	241 350	251 761
Trade and other receivables	15 295	8 959	8 959	5 558
Taxation	8 106	5 566	5 566	-
Cash and cash equivalents	32 568	29 077	29 077	67 219
Total current assets	303 797	274 132	274 132	314 538
Total assets	992 711	978 863	978 863	1 012 613
Equity and liabilities				
Capital and reserves				
Share capital	229 312	113	229 312	113
Other reserves	(15 085)	110 141	-	-
Retained earnings	443 421	244 031	315 796	384 244
Equity attributable to owners of the company	657 648	357 011	545 108	393 357
Non-controlling interest	-	876	-	1 027
Total equity	657 648	357 887	545 108	394 384
Non-current liabilities				
Loans	137 817	302 720	103 078	275 235
Deferred taxation	58 944	81 072	81 435	59 458
Operating lease liability	20 597	17 544	17 544	9 160
Total non-current liabilities	217 358	401 336	202 057	343 853
Current liabilities				
Trade and other payables	90 148	59 315	60 378	100 132
Derivative instruments	2 382	8 854	8 854	8 567
Short-term portion of loans	25 175	82 855	82 855	54 174
Taxation	-	-	-	1 873
Total current liabilities	117 705	151 024	152 042	164 746
Total liabilities	335 063	552 360	354 099	508 599
Total equity and liabilities	992 711	978 863	978 863	1 012 613

Condensed Consolidated Cash Flow Statement

	6 months ended 31 August 2011 Unaudited R'000	6 months ended 31 August 2010 Unaudited R'000	Year ended 28 February 2011 Audited R'000
Cash flows from operating activities			
Change in net working capital	84 083	81 137	210 715
Finance income	1 959	2 084	4 078
Finance costs	(10 148)	(1 877)	(25 821)
Taxation paid	(37 664)	(27 682)	(62 633)
Net cash inflows from operating activities	38 230	53 662	126 339
Cash flows from investing activities			
Acquisition of plant and equipment	(13 276)	(9 172)	(20 310)
Proceeds from sale of plant and equipment	91	475	1 071
Net cash outflows from investing activities	(13 185)	(8 697)	(19 239)
Cash flows from financing activities			
Requirement of loans	(41 825)	(29 325)	(40 680)
Acquisition of non-controlling interest	(3 082)	(13 101)	(13 101)
Purchase of shares in terms of forfeitable share plan	(15 500)	-	-
Net cash outflows from financing activities	(60 407)	(42 426)	(53 781)
Net decrease in cash during the period	(35 351)	(10 461)	(46 640)
Cash at the beginning of the period	67 919	102 172	102 172
Cash at the end of the period	32 568	91 711	55 532

Condensed Consolidated Statement of Changes in Equity

	Share capital R'000	Other reserves R'000	Retained earnings R'000	Equity holders of HoldSport R'000	Non-controlling interest R'000	Total equity R'000
Equity at 28 February 2010	113	110 141	244 031	320 789	2 350	323 038
Total comprehensive income for the half-year	-	-	39 614	39 614	178	39 792
Acquisition of non-controlling interest with change in control	-	(11 321)	(11 321)	(11 321)	(1 760)	(13 101)
Equity at 31 August 2010	113	98 820	244 031	320 789	2 528	323 831
Total comprehensive income for the half-year	-	-	29 212	29 212	110	29 322
Reclassification of other reserves	-	110 141	-	-	-	110 141
Equity at 28 February 2011	113	98 820	384 244	384 263	1 027	388 267
Acquisition of non-controlling interest with change in control	-	-	(2 055)	(2 055)	(1 027)	(3 082)
Capitalisation of shareholders' loans	229 292	-	-	229 292	-	229 292
Share-based payment reserve in full award	-	(15 500)	-	(15 500)	-	(15 500)
Share-based payment expense	-	415	-	415	-	415
Total comprehensive income for the half-year	-	-	61 233	61 233	-	61 233
Equity at 31 August 2011	229 312	(15 085)	443 421	657 648	-	657 648
Dividends declared per share (cents)						
Interim			47	47		47
Dividend cover			6.4	6.4		6.4

Condensed Consolidated Statements of Comprehensive Income

	6 months ended 31 August 2011 Unaudited R'000	6 months ended 31 August 2010 Unaudited R'000	6 months ended 31 August 2010 Pro forma R'000	Year ended 28 February 2011 Audited R'000
Sales	546 988	509 897	509 897	1 172 481
Cost of sales	(276 258)	(262 735)	(262 735)	(581 640)
Gross profit	270 730	247 162	247 162	590 841
Other income	1 439	1 686	1 686	3 369
Trading expenses	(182 381)	(166 730)	(166 730)	(352 021)
Operating profit	89 788	82 024	82 024	190 607
Finance income	1 959	2 084	2 084	4 078
Finance costs	(6 392)	(25 079)	(25 079)	(60 001)
Profit before taxation	85 355	59 029	59 029	94 684
Taxation	(24 122)	(25 279)	(25 279)	(29 205)
Profit for the period	61 233	33 750	33 750	65 479
Attributable to:				
Equity holders of the company	61 233	33 750	33 750	65 479
Non-controlling interest	-	-	-	-
Profit for the period and total comprehensive income for the period	61 233	33 750	33 750	65 479

Group Segmental Analysis

	Retail Sportsmans Warehouse Unaudited R'000	Outdoor Warehouse Unaudited R'000	Wholesale Unaudited R'000	Corporate Unaudited R'000	Group Unaudited R'000
6 months ended 31 August 2011					
External revenue	392 158	131 628	23 204	-	546 988
External interest received	-	-	157	1 802	1 959
External interest paid	-	-	(70)	(6 323)	(6 393)
Depreciation and amortisation	(7 744)	(2 449)	(990)	(6 434)	(17 617)
Group profit before taxation	71 424	21 206	13 518	(19 356)	86 792
- Segment profit/(loss) before taxation	71 424	21 206	13 518	(19 356)	86 792
- Tax charges	-	-	-	(1 437)	(1 437)
Capital expenditure	10 088	2 600	163	425	13 276
Segment assets	216 887	82 207	53 764	640 053	892 711
Segment liabilities	68 257	20 379	3 541	242 886	335 063
6 months ended 31 August 2010					
External revenue	369 548	122 285	8 064	-	509 897
External interest received	-	-	350	2 544	2 894
External interest paid	-	-	-	(31 934)	(31 934)
Depreciation and amortisation	(9 280)	(2 520)	(777)	(6 464)	(18 061)
Group profit before taxation	68 468	19 219	7 587	(25 806)	71 424
- Segment profit/(loss) before taxation	68 468	19 219	7 587	(25 806)	71 424
- Tax charges	-	-	-	(1 437)	(1 437)
Capital expenditure	5 807	1 297	909	219	8 332
Segment assets	194 192	82 917	45 780	686 317	809 106
Segment liabilities	59 054	21 827	7 359	552 009	639 249
Year ended 28 February 2011					
External revenue	829 340	274 500	32 600	-	1 136 440
External interest received	-	-	54	3 487	3 541
External interest paid	-	-	(19)	(23 024)	(23 043)
Depreciation and amortisation	(18 153)	(4 249)	(1 296)	(2 908)	(26 606)
Group profit before taxation	161 137	49 115	19 032	(16 121)	194 163
- Segment profit/(loss) before taxation	161 137	49 115	19 032	(16 121)	194 163
- Tax charges	-	-	-	(78 547)	(78 547)
Capital expenditure	15 850	3 055	1 588	1 550	20 943
Segment assets	170 917	84 596	17 788	700 704	1 004 005
Segment liabilities	69 752	6 118	6 658	527 696	609 624

FOUNTAINHEAD

Property Trust

Client to Update copy

The directors of Fountainhead Property Trust Management Limited, the manager of Fountainhead Property Trust, submit their report on the audited results of Fountainhead Property Trust for the year ended 30 September 2011. These abridged financial statements have been extracted from the audited financial statements on which KPMG Inc. have issued an unmodified audit opinion and which are available for inspection at the registered office.

STATEMENT OF FINANCIAL POSITION

	2011 R'000	2010 R'000
ASSETS		
Property assets	8 815 317	7 940 044
Investment properties	8 529 779	7 677 024
Straight-line lease accrual	285 538	263 020
Current assets	454 562	397 501
Trade and other receivables	70 453	53 874
Cash and cash equivalents	384 109	343 627
Total assets	9 269 879	8 337 545
UNITHOLDERS' FUNDS AND LIABILITIES		
Unitholders' funds	7 776 713	6 719 106
Capital of the fund	2 874 030	1 933 354
Capital reserve	574 903	513 837
Fair value reserve	4 042 182	4 008 835
Retained earnings	285 598	263 080
Non-current liabilities		
Interest-bearing liability	355 940	1 225 000
Current liabilities	1 137 226	393 439
Trade and other payables	123 783	126 201
Interest-bearing liability	693 000	-
Unitholders for distribution	320 443	267 238
Total unitholders' funds and liabilities	9 269 879	8 337 545

STATEMENT OF COMPREHENSIVE INCOME

	2011 R'000	2010 R'000
Income	902 263	845 963
Contractual rental income	879 745	831 482
Straight-line lease adjustment	22 518	14 481
Expenses	(228 904)	(219 979)
Administrative expenses	(44 982)	(42 265)
Property operating expenses	(183 922)	(177 714)
Operating profit	673 359	625 984
Net finance costs	(54 395)	(72 843)
Interest received	2 703	25 259
Interest paid	(82 098)	(98 102)
Profit on disposal of investment properties	13 869	1 932
Fair value adjustments to investment properties	80 544	(5 725)
Profit for the year	713 377	549 348
Total comprehensive income for the year	713 377	549 348
Basic/diluted earnings per unit (cents)	663.6	551.5
Headline earnings and distribution income reconciliation		
Profit for the year	713 377	549 348
Adjust for:		
Profit on disposal of investment properties	(13 869)	(1 932)
Fair value adjustments to investment properties	(80 544)	5 725
Headline earnings	618 964	553 141
Less: straight-line lease adjustment	(22 518)	(14 481)
Distribution income	596 446	538 660
Headline earnings per unit (cents)	57.58	55.53
Distribution per unit (cents)	55.27	54.08
Interim distribution per unit (cents)	27.71	27.25
Final distribution per unit (cents)	27.56	26.83
Weighted average units in issue	1 075 038 515	996 043 081
Units in issue at year-end	1 162 709 748	996 043 081

COMMENTARY

- BASIS OF PREPARATION AND ACCOUNTING POLICIES**
The annual results have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Collective Investment Schemes Control Act. The accounting policies are consistent in all material respects with those applied in prior years.
- DISTRIBUTION PER UNIT**
Fountainhead Property Trust's net distribution income for the six months ended September 2011 amounts to 27.56 cents per unit, 2.7 percent greater than the comparable period last year. The net distribution for the financial year ended September 2011 is 55.27 cent per unit, which is 2.2 percent greater than the comparable period last year.
- BORROWINGS**
The interest-bearing liability comprises:
Term Loan A – a R750 000 000 interest only facility at a rate of prime less 2.3% payable by 24 June 2012. A total of R243 000 000 of this facility has been accessed.
Term Loan B – a R250 000 000 interest only facility fixed at a rate of 11.07% until 15 February 2013. This facility is payable by 24 June 2012, with the fixed interest rate transferable to any subsequent facility.
Term Loan C – a R200 000 000 interest only facility fixed at a rate of 10.72% until 22 July 2012. This facility is payable by 22 July 2012.
Term Loan D – the Blue Route Mall Development Loan Facility – a R935 000 000 interest only facility floating at a rate of 1 month JIBAR + 2.42% until 31 May 2015. This facility is payable by 31 May 2015. To date R355 940 494 has been drawn from the facility. R350 000 000 of the facility has been fixed at 8.42% until 31 May 2015. Interest payments will be capitalised on this facility until the development is completed.
Term Loan E – a R600 000 000 interest only facility floating at a rate of 1 month JIBAR + 2.25% until 28 February 2016. This facility has not been accessed as yet.

4. MAJOR CAPITAL PROJECT

Significant capital projects are:
Blue Route Mall
The redevelopment of the mall is progressing well with approximately 68 percent of the work complete. The letting of the mall is in progress, with signed leases representing 96 percent of the new mall's 56 000 m² having been concluded. The anticipated opening date of the new mall is April 2011.

5. ACQUISITIONS AND DISPOSALS

The Trust has purchased the following properties during the year:

Sector	Building name	Location	Price	Initial yield	Transfer date
Office	300 Middle Street	Nieuw Muckleneuk, Pretoria	219 621 000	8.65%	7 June 2011
Office	CK3	Constantia Kloof, JHB	204 000 000	9.40%	30 June 2011
Office	Yellowwood	Bryanston, JHB	32 168 000	8.50%	27 June 2011

The Trust has successfully negotiated the purchase of the remaining 25% undivided share in Centurion Mall with an effective date of 1 September 2011. The purchase price is approximately R762 million at an expected initial yield of 7.1%. Transfer is expected to take place by December 2011.

In addition the Trust has a signed purchase agreement to acquire Access Park for a price of approximately R400 million at a yield of 9%. The acquisition is subject to various conditions precedent. The Trust has sold the following properties during the year:

Sector	Building name	Location	Transfer date	Net selling price	Valuation	Profit on sale
Retail	Northmead Mall	Northmead, Benoni	23 June 2011	50 688 000	50 264 000	424 000
Office	Human Right House	Parktown, JHB	11 October 2011	38 500 000	28 661 000	9 839 000
Office	22 Wellington Road	Parktown, JHB	2 February 2011	19 500 000	16 512 000	2 988 000
Industrial	Zero Park	Strijdom Park, JHB	14 April 2011	3 700 000	3 082 000	618 000

Subsequent to year-end, Medsave House has been sold for a net price of R2.4 million. Transfer was effective on 3 October 2011.

6. SEGMENTAL INFORMATION

	Sep 2011			Sep 2010		
	Revenue Rm	Net income Rm	% of total	Revenue Rm	Net income Rm	% of total
Retail	621	482	81	597	465	86
Office blocks	143	116	20	124	99	18
Industrial	85	68	11	81	63	12
Specialised	31	31	5	29	29	6
Corporate	-	(101)	(17)	-	(117)	(22)
Total	880	596	100	831	539	100

STATEMENT OF CASH FLOWS

	2011 R'000	2010 R'000
Cash effects from operating activities		
Profit for the year	713 377	549 348
Adjustments for:		
Straight-line lease adjustment	(22 518)	(14 481)
Interest received	(27 703)	(25 259)
Interest paid	82 098	98 102
Profit on disposal of investment property	(13 869)	(1 932)
Fair value adjustments to investment properties	(80 544)	5 725
Operating profit before changes in working capital	650 841	611 503
Trade and other receivables increased	(16 579)	(7 332)
Trade and other payables (decreased)/ increased	(2 418)	10 074
Cash generated from operations	631 844	614 245
Interest received	27 703	25 259
Interest paid	(82 098)	(98 102)
Income distributions	(589 424)	(533 381)
Cash (outflows)/inflows from operating activities	(11 975)	8 021
Cash effects from investing activities		
Additions to investment properties	(870 730)	(326 266)
Proceeds from disposal of investment properties	112 388	18 000
Cash outflows from investing activities	(758 342)	(308 266)
Cash effects from financing activities		
Long-term loan raised	355 940	310 000
Long-term loan repaid	(532 000)	-
Issue of units	1 000 000	-
Rights offer expenses	(13 141)	-
Cash inflows from financing activities	810 799	310 000
Net increase in cash and cash equivalents	40 482	9 755
Cash and cash equivalents at beginning of the year	343 627	333 872
Cash and cash equivalents at end of the year	384 109	343 627

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

(R'000)	Capital of the fund	Capital reserve	Fair value reserve	Retained earnings	Total unitholders' funds
Balance at 1 October 2009	1 933 354	501 906	4 024 559	248 599	6 708 418
Total comprehensive income for the year					
Profit and total comprehensive income for the year	-	-	-	549 348	549 348
Transactions with unitholders, recorded directly in equity					
Profit and fair value reserve realised on sale of property transferred to capital reserve		11 931	(9 999)	(1 932)	-
Fair value adjustment on investment properties transferred to fair value reserve			(5 725)	5 725	-
Income distributions				(538 660)	(538 660)
Total transactions with unitholders	-	-	(15 724)	(534 867)	(538 660)
Balance as at 30 September 2010	1 933 354	513 837	4 008 835	263 080	6 719 106
Total comprehensive income for the year					
Profit and total comprehensive income for the year	-	-	-	713 377	713 377
Transactions with unitholders, recorded directly in equity					
Profit and fair value reserve realised on sale of properties transferred to capital reserve		61 066	(47 197)	(13 869)	-
Fair value adjustment on investment properties transferred to fair value reserve			80 544	(80 544)	-
Issue of units	953 817	-	-	46 183	1 000 000
Rights offer expenses	(13 141)	-	-	-	(13 141)
Income distributions				(642 629)	(642 629)
Total transactions with unitholders	940 676	61 066	33 347	(690 859)	344 230
Balance as at 30 September 2011	2 874 030	574 903	4 042 182	285 598	7 776 713

7. VACANCY LEVELS

Vacancy levels in terms of rentable area at 30 September were as follows:

Sector %	Sep 2011	Sep 2010
Retail	7	5
Office blocks	10	12
Industrial	7	10
Specialised	-	-
Total	7	7

By value, the vacancies equated to 5 percent of potential rental income, slightly higher than the 4.5% at half-year. In total approximately 12 percent of the current vacant space has been let for future occupation.

In the retail sector 85 percent of the vacancies were contained in The Brightwater Commons, The Boulevar Shopping Centre and at the offices located at Centurion Mall. The vacancy in this sector has increased since half-year mainly due to PBMR vacating office space at Centurion Mall.

The office sector had a vacancy of 10 percent which is primarily situated in Grayston Ridge, AMR Office Park and Wierda Mews. Letting conditions in this sector remain challenging.

The industrial sector had a vacancy of 7 percent, primarily located at Supreme Industrial Park and the Jet Park mini-units.

8. LEASE EXPIRY PROFILE

The lease expiry profile by rentable area as at 30 September 2011 is as follows (%):

Building	Vacant	2012	2013	2014	2015	2016	>2016
Retail	7	19	14	17	18	11	14
Offices	10	13	7	8	9	5	48
Industrial	7	44	29	15	3	2	0
Specialised	0	0	0	0	0	0	100
Total	7	24	16	14	12	7	20

9. PORTFOLIO VALUATIONS

The composition of Fountainhead Property Trust's portfolio, as valued by the independent valuer, Rode and Associates CC, as at 30 September 2011, is as follows:

Sector	Value (Rm)	Cents/unit	Forward EY (%)	% of portfolio 2011	% of portfolio 2010
Retail	6 348	546	0.0	72	74
Office blocks	1 589	137	0.0	18	15
Industrial	571	49	0.0	6	7
Specialised	307	26	0.0	3	4
Total property	8 815	758	0.0	100	100
Long-term borrowings	(1 049)	(90)			
Net current assets	10	1			
	7 776	669			

10. PROSPECTS

It is anticipated that the distribution per unit for the year ending 30 September 2012 will increase by approximately between 2.5 to 4 percent compared with the financial year ended 30 September 2011. This forecast has not been reviewed or reported on by Fountainhead Property Trust's auditor.

11. INCOME DISTRIBUTION ANNOUNCEMENT

Notice is hereby given of distribution No. 57 of 27.56 cents per unit for the six months ended 30 September 2011.

The last date to trade cum distribution will be Friday, 18 November 2011. The units of Fountainhead Property Trust will commence trading ex-distribution on Monday, 21 November 2011 and the record date will be Friday, 25 November 2011. The distribution will be paid on Monday, 28 November 2011. Unit certificates may not be dematerialised or re-materialised between Monday, 21 November 2011 and Friday, 25 November 2011, both dates inclusive.

BY ORDER OF THE BOARD

Fountainhead Property Trust Management Limited
(Reg No. 1983/003324/06)

2 November 2011

Directors:
WM Kirchmann (Chairman),
AE Raubenheimer (Managing),
VA Christian, HY Laher, DS Ogbu,
JD Rainier, DS Savage, S Shaw-Taylor

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