

Fountainhead – Results

September 2011



Agenda

- Background
- Objective
- Structure
- Overview
- 2011 Highlights
- Results September 2011
- Operational highlights
- Developments
- Prospects
- Q&A

Background

- Fountainhead Property Trust is a collective investment scheme in property
- Closed ended fund – listed on JSE
- Governed by

Collective Investment Schemes Control Act - FSB

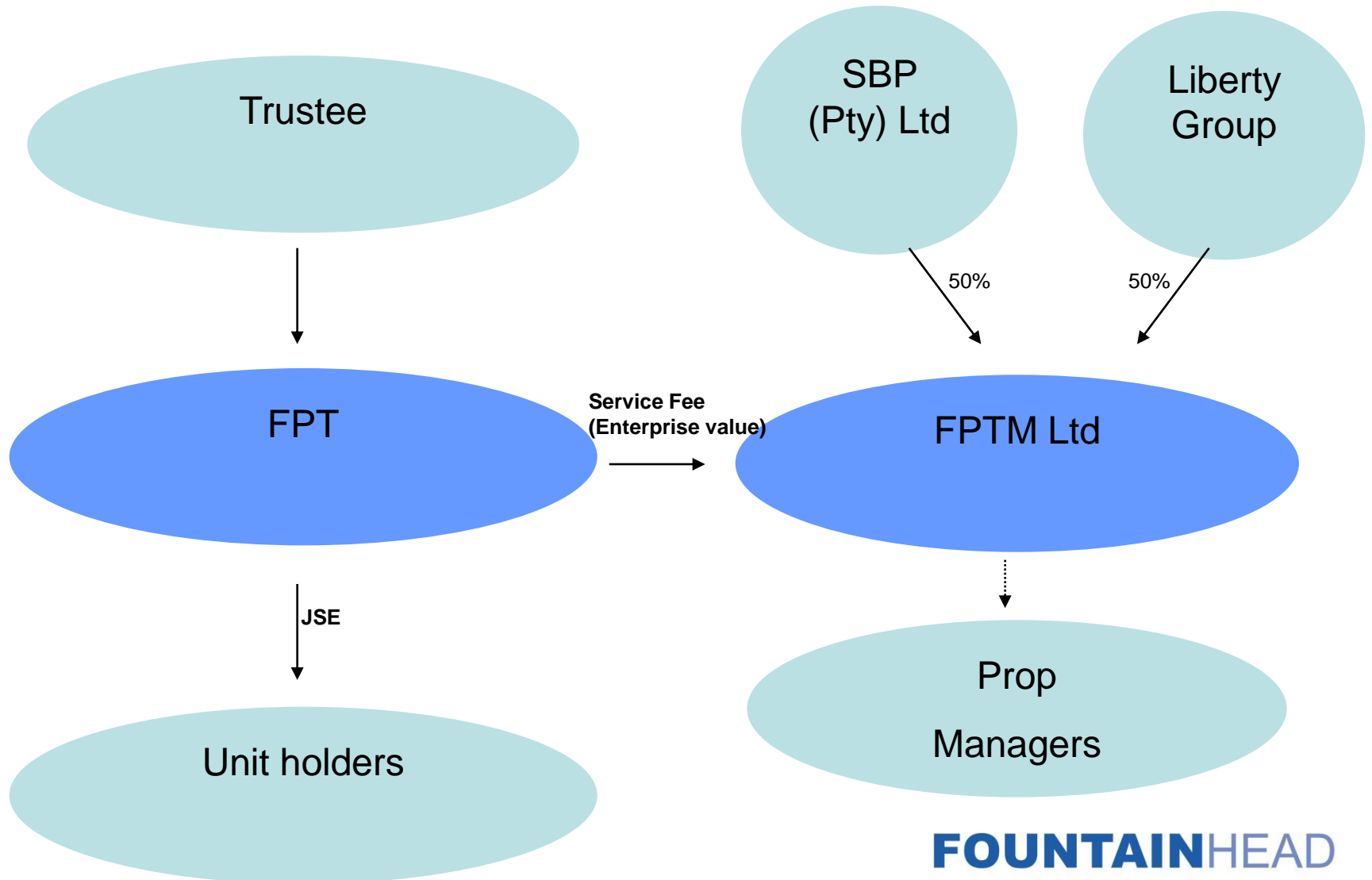
Trust Deed

JSE Listing requirements

Objective

The investment policy of Fountainhead Property Trust Management Limited is to create wealth for the Trust's unitholders by consistently generating a total rate of return in excess of inflation. This is to be achieved by optimising net rental growth and thereby maximising the appreciation in the value of the underlying properties in the portfolio.

Structure



Overview

- Quality retail assets comprising 72% of the portfolio
- Retail assets are mainly large regional and super-regional centres
- Portfolio of 66 properties.
- All assets located within the largest economic regions of the country viz. Johannesburg, Tshwane, Cape Town, Durban.
- Focus is to “sweat” existing assets and to enhance the overall quality of the portfolio through acquisitions that provide long-term superior earnings growth.

2011 Highlights

Annual Distribution	55.27 cpu	(2.2% annual growth)
Final Distribution	27.56 cpu	(2.7% comparative growth)
NAV	669 cpu	
Property assets	R8.8 billion	(R875m increase on PY. Increase of 11%)
Property acquisitions	R456 million	(300 Middel Street, CK3 & Yellowwood)
Pending acquisitions	R1.2 billion	(Centurion Mall 25%, Access Park, Cedarwood)
Market cap at 30 September 2011	R7.8 billion	
Borrowings	R1.05 billion	
Gearing %	12%	(15% in 2010)

2011 Highlights – Major Assets

15 Properties make up 82% of Portfolio by Value

Name of property	Rentable area (m ²)	Market value (R'000)	Value per square metre (R/m ²)	% of portfolio
Centurion Mall (75 percent)	84,346	2,128,899	25,240	24.1
Westgate Shopping Centre (41.32 percent)	43,797	689,868	15,751	7.8
Kenilworth Centre	46,862	665,242	14,196	7.5
N1 City Mall (58 percent)	37,241	577,171	15,498	6.5
The Boulders Shopping Centre	48,632	542,498	11,155	6.2
Benmore Gardens Shopping Centre	22,682	519,087	22,885	5.9
Blue Route Mall	39,520	516,260	13,063	5.9
Douglas Roberts Centre	19,166	271,664	14,174	3.1
Bryanston Shopping Centre	11,634	231,228	19,875	2.6
Constantia Kloof 3 (80 percent)	12,821	219,955	17,156	2.5
300 Middel Street	11,405	219,469	19,243	2.5
Bedford Gardens Private Hospital	12,817	189,532	14,788	2.2
The Brightwater Commons	42,325	182,960	4,323	2.1
Southgate Mall (15.97 percent)	11,024	173,053	15,698	2.0
Mifa Industrial Park	34,002	123,731	3,639	1.4
	478,274	7,250,617		82.3

Results September 2011

(R000)	2011	2010	
Revenue	902,263	845,963	7%
Contractual rental income	879,745	831,482	6%
Straight-line lease adjustment	22,518	14,481	56%
Expenses	(228,904)	(219,979)	4%
Administrative expenses	(44,982)	(42,265)	6%
Property operating expenses	(183,922)	(177,714)	3%
Operating profit before net finance cost and fair value adjustments	673,359	625,984	8%
Net finance costs	(54,395)	(72,843)	-25%
Interest received	27,703	25,259	10%
Interest paid	(82,098)	(98,102)	-16%
Profit on disposal of investment property	13,869	1,932	618%
Fair value adjustments to investment properties	80,544	(5,725)	-1507%
Profit and total comprehensive income for the year	713,377	549,348	30%
Income distribution per unit (cents)	55.27	54.08	2.2%

Results September 2011

R'000

	2011	2010
Borrowings	1,048,940	1,225,000
Average interest rate	9.08%	8.73%
Gearing percentage	12%	15%
% of debt fixed	76%	37%

- Debt facilities of R1.2 billion (R693 million utilised) expiring within the next year.
- Renewal of facilities to be negotiated with the bank within the next couple of months.
- Considering tapping debt capital market to decrease borrowing rates.

Operational highlights

Sector	GLA (m ²)	Market Value	% of portfolio	Weighted Average Gross Rent (R/m ²)	Weighted Average escalation	Number of properties
Retail	403,660	6,347,978	72%	133	8.6%	13
Office	139,331	1,588,910	18%	109	8.6%	23
Industrial	177,879	571,112	6.5%	45	9.3%	28
Specialised	26,969	307,317	3.5%	100	7.9%	2
Total	747,839	8,815,317	100%	108	8.7%	66

Operational highlights

Vacancy Profile by area as at 30 September 2011

Sector	Sep 2011	Sep 2010
	%	%
Retail	7	5
Office	10	12
Industrial	7	10
Specialised	0	0
Total	7	7

Operational highlights

Vacancy Profile by area & rent as at 30 September 2011

Sector	Sep 2011	Sep 2011
	by area	by rent
	%	%
Retail	7	4
Office	10	10
Industrial	7	5
Specialised	0	0
Total	7	5

Operational highlights

Vacancy Profile as at 30 September 2011 major retail buildings

Property	Sep 2011 by area %	Sep 2011 by rent %
Centurion Mall (75 percent)	14.2	8
Westgate Shopping Centre (41.32 percent)	1.3	0.5
Kenilworth Centre	0.2	0.6
N1 City Mall (58 percent)	0	0
The Boulders Shopping Centre	6.7	2
Benmore Gardens Shopping Centre	6.2	3.3
Blue Route Mall	0.2	0.1
Bryanston Shopping Centre	5.8	3.8
The Brightwater Commons	19.9	8.9
Southgate Mall (15.97 percent)	9	8.8

Operational highlights

Lease Expiry Profile by area as at 30 September 2011

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

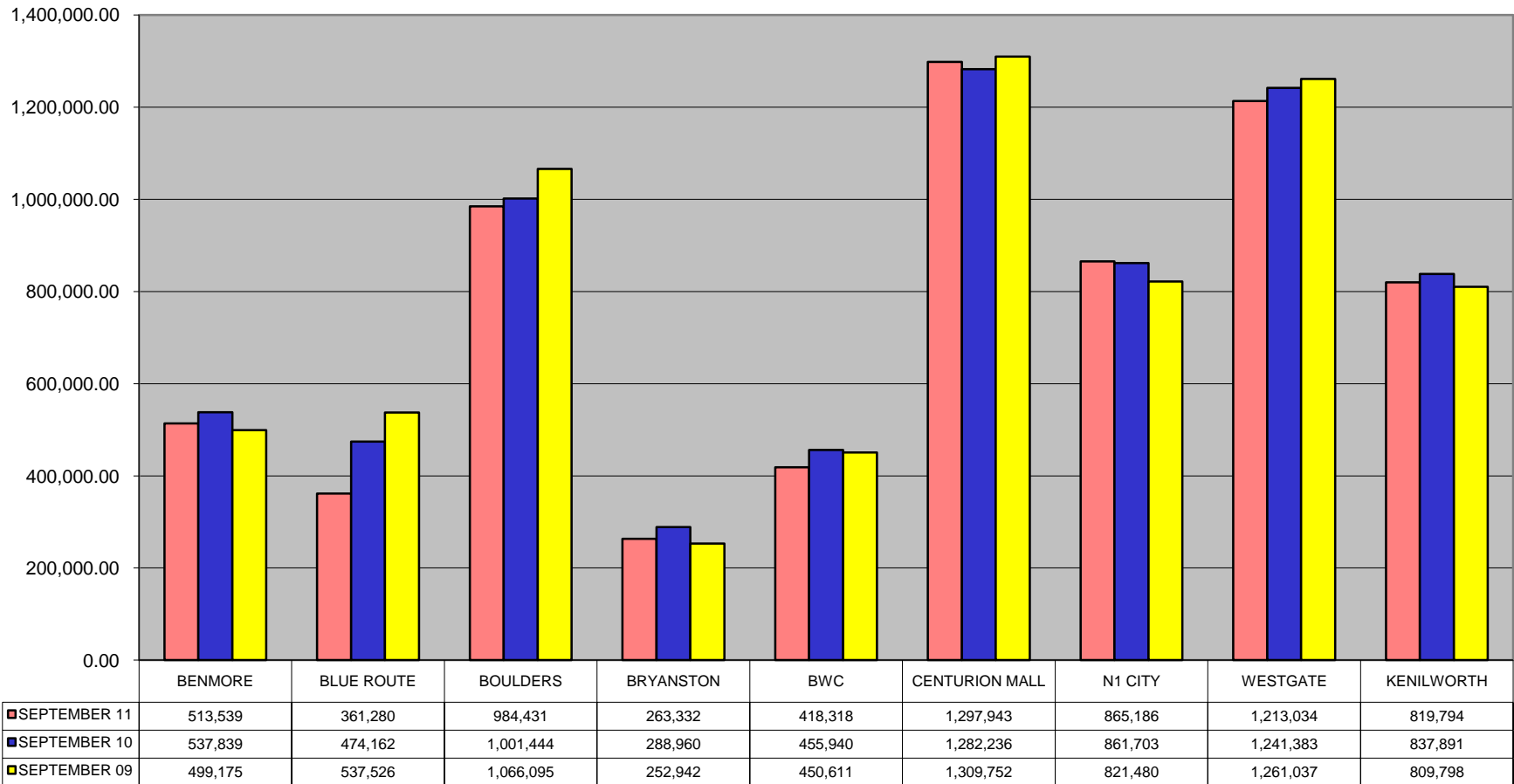
Operational highlights

Letting analysis 2011

Sector	Total Lettings	Rental Reversions	Retention ratio
Retail	56,132	-1%	57%
Office	39,073	-4%	61%
Industrial	49,027	-3.5%	56%

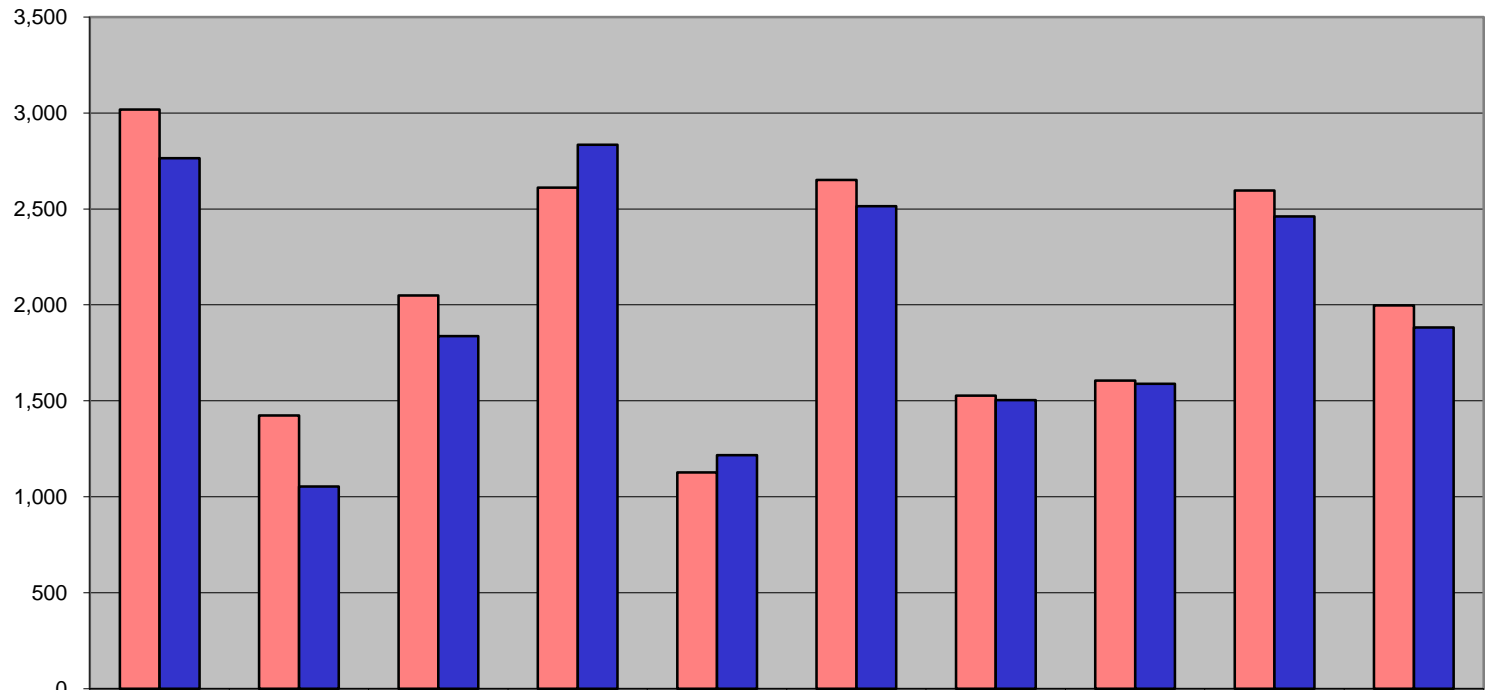
Operational highlights

**Fountainhead Property Trust - Retail - Average monthly Consolidated Footcount
- FY2011**



Operational highlights

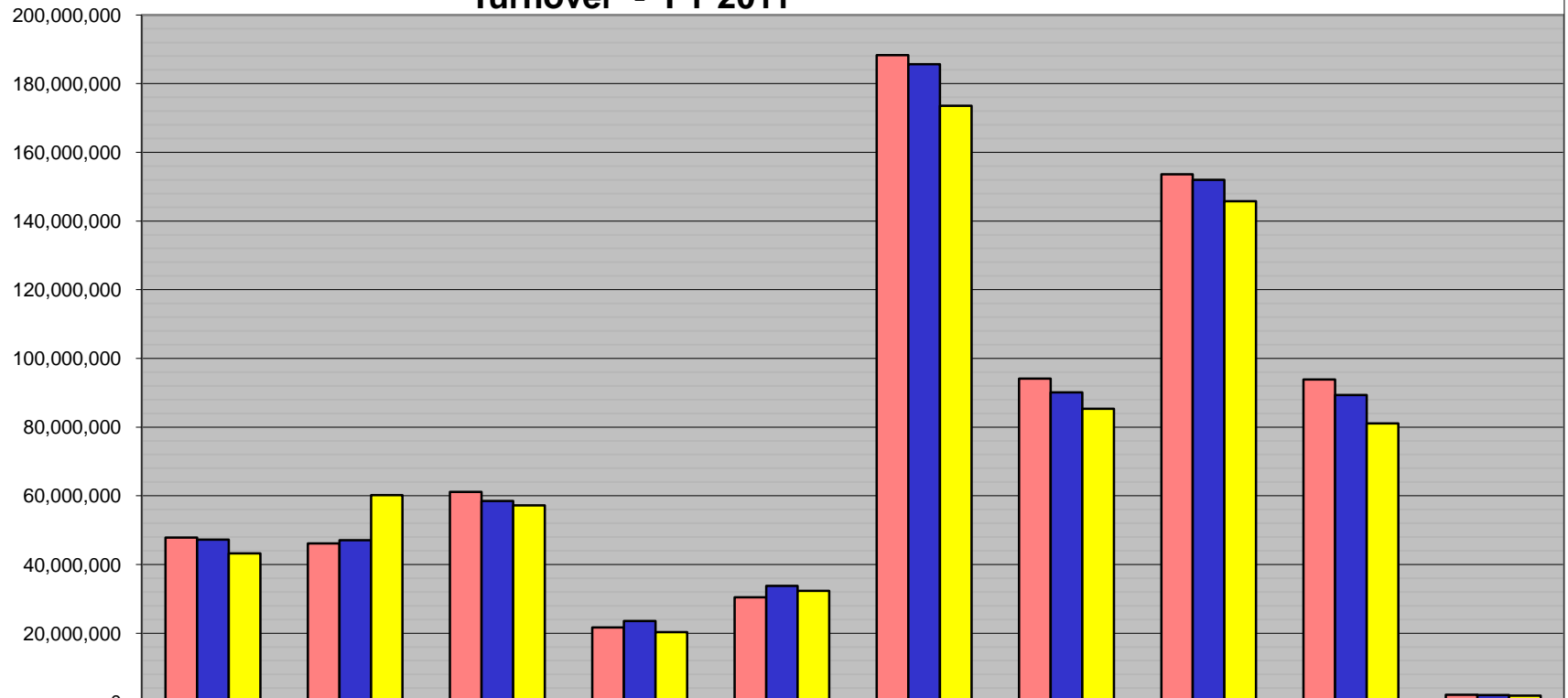
**Fountainhead Property Trust - Retail – Average monthly trading density-
FY2011**



TRADING DENSITY SEPTEMBER 2011	3,018	1,424	2,050	2,611	1,127	2,651	1,527	1,605	2,596	1,998
TRADING DENSITY SEPTEMBER 2010	2,764	1,054	1,837	2,834	1,218	2,515	1,503	1,589	2,461	1,883

Operational highlights

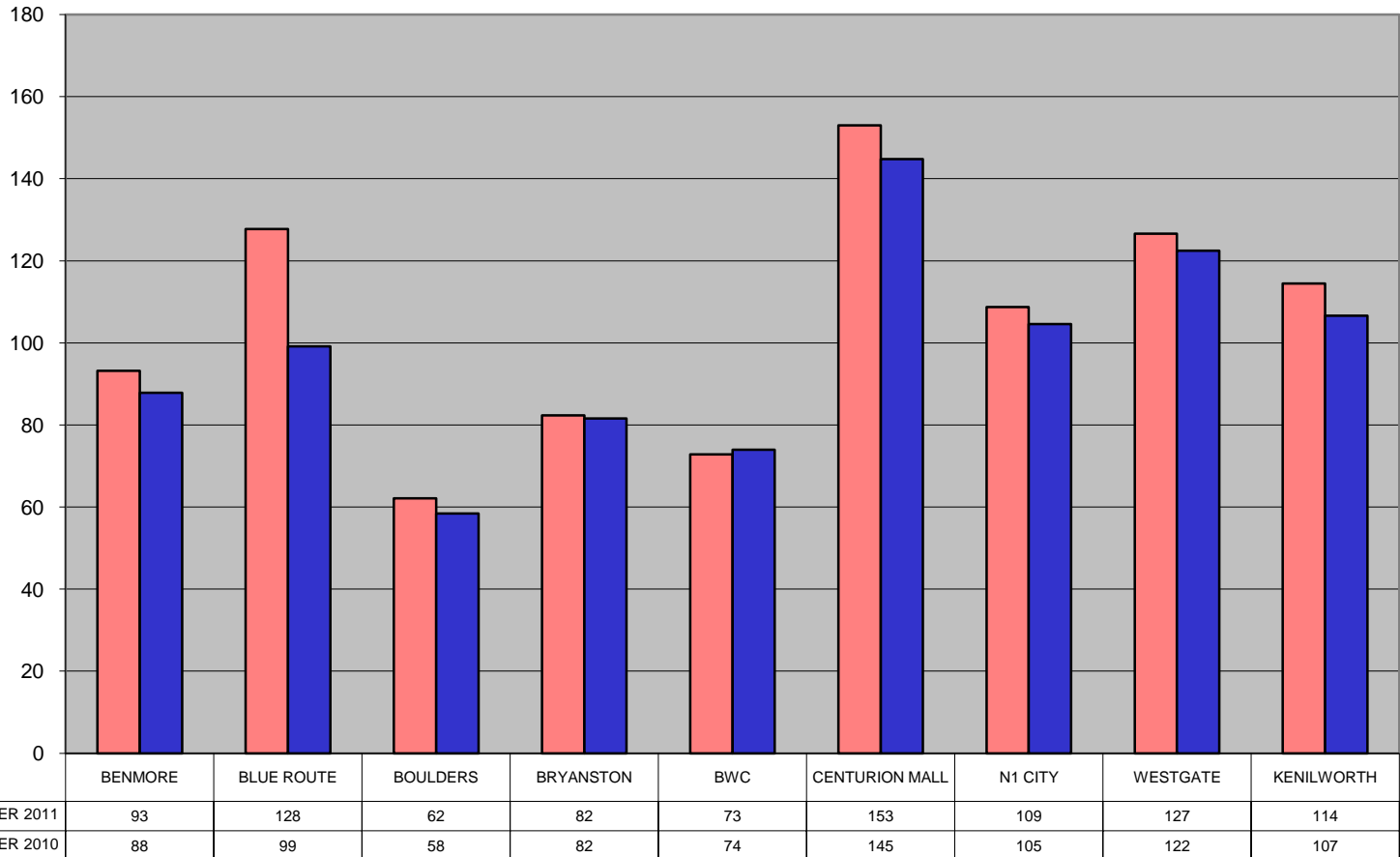
**Fountainhead Property Trust - Retail - Average monthly consolidated
Turnover - FY 2011**



	BENMORE	BLUE ROUTE	BOULDERS	BRYANSTON	BWC	CENTURION MALL	N1 CITY	WESTGATE	KENILWORTH	ROSEBANK
■ SEPTEMBER 11	47,870,520	46,145,918	61,169,819	21,671,796	30,466,438	188,266,317	94,082,701	153,595,194	93,838,392	2,105,730
■ SEPTEMBER 10	47,262,562	47,027,742	58,480,329	23,564,610	33,731,193	185,643,059	90,096,062	152,018,624	89,345,818	1,984,750
■ SEPTEMBER 09	43,239,759	60,168,953	57,179,113	20,311,765	32,367,262	173,573,745	85,367,922	145,770,250	81,033,958	1,827,302

Operational highlights

Fountainhead Property Trust - Retail – Average monthly basket spend- FY2011



Operational highlights

Arrears

	R'000		
	2011	2010	2009
Gross bad debts written off	-4,000	-8,100	-10,000
Rental Income	879,745	831,482	768,565
% of rental income	-0.45%	-0.97%	-1.30%

- Arrears of R9m (2010: 11.5m)
- Bad debt provision of R5.5m (2010: R6.5m)

Developments

Blue Route redevelopment

- **R356 million spent to date**
- **Approximately 68% complete**
- **96% of new 56,000 square metre centre let**
- **Improved tenant mix**
- **New mall will commence trading in April 2012.**

Developments

Bryanston Shopping Centre – Professional teams working on various schemes to enhance the property

Rosebank Mews – We are looking into the possibility of redeveloping this property.

Prospects

Guidance of a small increase in distribution for 2012

Issues affecting 2012 distribution

- **PBMR vacancy/opportunity at Centurion Mall**
- **Short-term dilution of rights offer**
- **Blue Route Mall impact**
- **Ability to obtain loan facilities at lower borrowing rates**

Questions and Answers

Copyright and disclaimer

The content and information provided are owned by Fountainhead Property Trust Management Limited ("Fountainhead") and are protected by copyright and other intellectual property laws. All rights not expressly granted are reserved. The content and information may not be reproduced or distributed without the prior written consent of Fountainhead.

The content of this presentation is provided by Fountainhead as general information about Fountainhead Property Trust. Fountainhead does not guarantee the suitability or potential value of any information or particular investment source.

Any information is not intended nor does it constitute financial, tax, legal, investment, or other advice. Before making any decision or taking any action regarding your finances, you should consult a qualified financial advisor.

Fountainhead has taken and will continue to take care that all information provided, in so far as this is under its control, is true and correct. However, Fountainhead shall not be responsible for and therefore disclaims any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon any information provided.