

Fountainhead Property Trust

A Collective Investment Scheme in property registered in terms of the Collective Investment Schemes Control Act, No.45 of 2002 and managed by Fountainhead Property Trust Management Limited ("FPTML")

Registration number 1983/003324/06

Share code: FPT

ISIN code: ZAE000097416

("Fountainhead Property Trust")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2008

The directors of Fountainhead Property Trust Management Limited, the manager of Fountainhead Property Trust, submit their report on the unaudited results of Fountainhead Property Trust for the six months ended 31 March 2008.

BALANCE SHEET

	Unaudited as at 31 Mar 2008 R`000	Audited as at 30 Sep 2007 R`000	Unaudited as at 31 Mar 2007 R`000
<b>ASSETS</b>			
Property assets	6 917 293	6 793 126	5 577 096
Investment properties	6 697 048	6 575 794	5 361 962
Straight-line lease accrual	220 245	217 332	215 134
Current assets	326 695	304 772	286 670
Trade and other receivables	20 188	23 287	19 707
Cash and cash equivalents	306 507	281 485	266 963
Total assets	7 243 988	7 097 898	5 863 766
<b>UNITHOLDERS` FUNDS AND LIABILITIES</b>			
Unitholders` funds	6 313 892	6 315 086	5 211 381
Capital of the fund	1 933 354	1 933 354	1 933 354
Capital reserve	501 905	498 517	495 476
Revaluation reserve	3 658 327	3 665 823	2 567 357
Retained earnings	220 306	217 392	215 194
Non-current liabilities			
Interest-bearing liability	609 000	487 000	369 000
Current liabilities	321 096	295 812	283 385
Trade and other payables	86 030	81 464	70 232
Unitholders for distribution	235 066	214 348	213 153
Total unitholders` funds and liabilities	7 243 988	7 097 898	5 863 766

INCOME STATEMENT

	Unaudited 6 months to 31 Mar 2008 R`000	Audited 12 months to 30 Sep 2007 R`000	Unaudited 6 months to 31 Mar 2007 R`000
Income	336 479	606 544	297 701
Contractual rental income	333 565	599 295	292 650
Straight-line lease adjustment	2 914	7 249	5 051
Expenses	(81 986)	(158 625)	(74 958)
Administrative expenses	(18 787)	(37 202)	(17 071)
Property operating expenses	(63 199)	(121 423)	(57 887)
Operating profit	254 493	447 919	222 743
Net finance costs	(16 513)	(13 168)	(4 539)
Interest received	16 858	27 774	13 206
Interest paid	(33 371)	(40 942)	(17 745)
(Loss)/profit on disposal of investment properties	(1 194)	13 371	13 305

Fair value adjustments to investment properties	(2 914)	1 096 390	(5 051)
Profit for the period	233 872	1 544 512	226 458
Basic earnings per unit (cents)	23,5	155,1	22,7
Headline earnings and distribution income reconciliation			
Profit for the period	233 872	1 544 512	226 458
Adjust for:			
Loss/(profit) on disposal of investment properties	1 194	(13 371)	(13 305)
Fair value adjustments to investment properties	2 914	(1 096 390)	5 051
Headline earnings	237 980	434 751	218 204
Less: straight-line lease adjustment	(2 914)	(7 249)	(5 051)
Distribution income	235 066	427 502	213 153
Headline earnings per unit (cents)	23,89	43,65	21,90
Distribution per unit (cents)	23,60	42,92	21,40
Interim distribution per unit (cents)	23,60	21,40	21,40
Final distribution per unit (cents)	-	21,52	-
Units in issue	996 043 081	996 043 081	996 043 081

#### CASH FLOW STATEMENT

	Unaudited 6 months to 31 Mar 2008 R`000	Audited 12 months to 30 Sep 2007 R`000	Unaudited 6 months to 31 Mar 2007 R`000
Cash effects from operating activities			
Profit for the period	233 872	1 544 512	226 458
Adjustments for:			
Straight-line lease adjustment	(2 914)	(7 249)	(5 051)
Interest received	(16 858)	(27 774)	(13 206)
Interest paid	33 371	40 942	17 745
Loss/(profit) on disposal of investment properties	1 194	(13 371)	(13 305)
Fair value adjustments to investment properties	2 914	(1 096 390)	5 051
Operating profit before changes in working capital	251 579	440 670	217 692
Trade and other receivables reduced	3 099	1 274	4 854
Trade and other payables raised/(reduced)	4 566	3 924	(7 308)
Cash generated from the operations	259 244	445 868	215 238
Interest received	16 858	27 774	13 206
Interest paid	(33 371)	(40 942)	(17 745)
Income distributions	(214 348)	(409 374)	(196 220)
Cash flows from operating activities	28 383	23 326	14 479
Cash effects from investing activities			
Additions to investment properties	(130 445)	(234 147)	(117 470)
Proceeds from disposal of investment properties	5 084	49 852	45 500
	(125 361)	(184 295)	(71 970)

Cash effects from financing activities			
Long-term loan raised	122 000	202 000	84 000
Long-term loan repaid	-	(14 000)	(14 000)
122 000	188 000	70 000	
Net increase in cash and cash equivalents	25 022	27 031	12 509
Cash and cash equivalents at beginning of period	281 485	254 454	254 454
Cash and cash equivalents at end of the period	306 507	281 485	266 963

STATEMENT OF CHANGES IN UNITHOLDERS` FUNDS

(R`000)	Capital of the fund	Capital reserve	Revaluation reserve
Balance as at 1 October 2006	1 933 354	470 243	2 584 336
Profit/Total income and expenses for the period			
Profit and revaluation reserve realised on sale of properties transferred to capital reserve		25 233	(11 928)
Fair value adjustment on investment properties transferred to revaluation reserve			(5 051)
Income distributions			
Balance as at 31 March 2007	1 933 354	495 476	2 567 357
Balance as at 1 October 2007	1 933 354	498 517	3 665 823
Profit/Total income and expenses for the period			
Loss and revaluation reserve realised on sale of properties transferred to capital reserve		3 388	(4 582)
Fair value adjustment on investment properties transferred to revaluation reserve			(2 914)
Income distributions			
Balance as at 31 March 2008	1 933 354	501 905	3 658 327
Total			

(R`000)	Retained earnings	unitholders` funds
Balance as at 1 October 2006	210 143	5 198 076
Profit/Total income and expenses for the period	226 458	226 458
Profit and revaluation reserve realised on sale of properties transferred to capital reserve	(13 305)	-
Fair value adjustment on investment properties transferred to revaluation reserve	5 051	-
Income distributions	(213 153)	(213 153)
Balance as at 31 March 2007	215 194	5 211 381
Balance as at 1 October 2007	217 392	6 315 086
Profit/Total income and expenses for the period	233 872	233 872
Loss and revaluation reserve realised on sale of properties transferred to capital reserve	1 194	-
Fair value adjustment on		

investment properties		
transferred to revaluation reserve	2 914	-
Income distributions	(235 066)	(235 066)
Balance as at 31 March 2008	220 306	6 313 892

COMMENTARY

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited interim results have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 - Interim Financial Reporting and the requirements of the Collective Investment Schemes Control Act. The accounting policies are consistent in all material respects with those applied in the prior year.

2 DISTRIBUTION PER UNIT

Fountainhead Property Trust's net distributable income for the first six months of the financial year amounts to 23.6 cents per unit, 10.3 percent greater than the comparable period last year.

3 CHANGES TO PORTFOLIO

During the period, the following sale was concluded:

	Net selling price	Exit yield
Property	R`000	%
Cenmag House	5 084	4,4

4 MAJOR CAPITAL PROJECTS

Significant capital projects and planned projects are:

Kenilworth Centre

The R56 million development of a food court and the new Game store of 5 000 square metres is currently underway at the centre and is progressing within budget.

The Brightwater Commons

The building work has commenced for phase three of the centre in order to accommodate Virgin Active and Woolworths. The premises will be ready for occupation during the second half of the year. Management believes this project will increase foot count to the centre and will be the catalyst for letting of the remaining space in phase three.

Benmore Gardens Shopping Centre

The redevelopment is progressing well and will be complete within the third quarter. The major change to the centre will be a new Pick n Pay store, the relocation of Dischem and the introduction of a Woolworths Food store, Toyzone and Baby City, as well as a revised restaurant offering.

Douglas Roberts Centre

The construction of the parking garage is complete. The remaining upgrade of the office block will be completed within the third quarter. The initial rental is based on 8.5 percent yield on R215 million with a 7 percent annual escalation. Until the capital commitment of the development is fully taken up, an interim rental based on spend to date is being paid. Management estimates that the full rental will be paid from June 2008.

Centurion Mall (75% share)

The East side parking deck is complete. This completion marks the end of the second phase of the centre's redevelopment.

The centre continues to perform well with limited and declining vacancies throughout the centre and adjoining office blocks.

5 SEGMENTAL INFORMATION

	March 2008				September 2007		
	6 months			12 months			
	Net			Net			
	Revenue	income	% of	Revenue	income	% of	
Rm	Rm	total	Rm	Rm	total		
Retail	236	192	81	437	354	83	

Office blocks	52	40	17	85	63	15
Industrial	33	26	11	55	40	9
Specialised	13	13	6	22	22	5
Corporate	-	(36)	(15)	-	(51)	(12)
Total	334	235	100	599	428	100

March 2007

6 months

	Revenue	Net	% of
	Rm	income	total
	Rm	Rm	
Retail	212	172	80
Office blocks	42	32	15
Industrial	28	21	10
Specialised	11	10	5
Corporate	-	(22)	(10)
Total	293	213	100

#### 6 VACANCY LEVELS

Vacancy levels in terms of rentable area at 31 March were as follows:

Mar 2008	Sep 2007	Mar 2007			
Sector			%	%	%
Retail			6	6	8
Office blocks			7	2	3
Industrial			7	9	9
Specialised			-	-	-
Total			6	6	7

By value, the vacancies equated to 4 percent of potential rental income, an improvement on the 5 percent as at year-end.

In the retail sector 89 percent of the vacancies were contained in The Boulders, The Brightwater Commons and the offices at Centurion Mall, approximately 40 percent of which have been let for future occupation.

The office sector had a vacancy of 7 percent which is primarily situated in Grayston Ridge, as a result of Motorola relocating.

The industrial portfolio had a vacancy of 7 percent compared to 9 percent in September 2007. The improvement is due to the successful letting of the Nashua and Degussa buildings in Midrand.

#### 7 CHANGE OF SHAREHOLDING IN THE MANAGER

Unit holders are referred to the information announcement dated 27 March 2008 in which it was stated that The Standard Bank of South Africa Limited had sold 50 percent of its shareholding in Fountainhead Property Trust Management Limited to Liberty Group Limited with effect from 31 March 2008.

#### 8 PROSPECTS

As stated in the annual report, the Board anticipates that distributions per unit for the year ending 30 September 2008 will increase by between 12 percent and 14 percent compared with the year ended 30 September 2007. This forecast has not been reviewed or reported on by Fountainhead Property Trust's auditors.

#### 9 DISTRIBUTION ANNOUNCEMENT

Notice is hereby given of distribution no. 50 of 23.6 cents per unit for the six months ended 31 March 2008.

The last date to trade cum the distribution will be Friday, 16 May 2008. The units of Fountainhead Property Trust will commence trading ex-distribution on Monday, 19 May 2008 and the record date will be Friday, 23 May 2008. The distribution will be paid on Monday, 26 May 2008.

Unit certificates may not be dematerialised or rematerialised between Monday, 19 May 2008 and Friday, 23 May 2008, both dates inclusive.

BY ORDER OF THE BOARD

Fountainhead Property Trust Management Limited

(Reg No 1983/003324/06)

5 May 2008

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