

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

(Registration number 1983/003324/06)

Share code: FPT

ISIN code: ZAE000097416

("Fountainhead")

PROPOSED ACQUISITION BY FOUNTAINHEAD PROPERTY TRUST ("Fountainhead") OF CEDARWOOD HOUSE

1. INTRODUCTION

Unitholders are advised that Fountainhead has concluded an agreement ("the agreement") for the acquisition of Cedarwood House, a property within the Ballywoods Office Park located at 33 Ballyclare Drive, Bryanston ("the property") from Ballywoods Trust and Cornerstone Capital Fund (Pty) Ltd ("the acquisition").

2. THE ACQUISITION

2.1 Rationale

The acquisition is a high quality office building situated in a prime node and is also strategically located adjacent to the Bryanston Shopping Centre which is also owned by Fountainhead.

2.2 Consideration and terms of the agreement

The purchase price of the property is R72 377 644 and will be purchased by ABSA Bank Limited in its capacity as Trustee for Fountainhead. The effective date of the acquisition is the transfer date which is anticipated to be 1 March 2011.

2.3 Small related party transaction

In terms of the JSE Limited ("JSE") Listing Requirements Section 10.7, the acquisition is regarded as a small related party transaction and in terms of the JSE Listings Requirements the valuation report, which was performed by Rode and Associates (Proprietary) Limited external valuers as defined by Section 13 of the JSE Listings Requirements, will lie open for inspection at Fountainhead's registered offices for a period of 28 days from the date of this announcement.

2.4 Details of the property

The property, based on the valuation conducted, as at 01 March 2011, is valued at R66 089 617. The total rentable area of the property is 4,718sqm's (100% of rentable area) at a weighted average gross rental of R121/sqm (as at 1 March 2011).

The weighted average rental escalation by rentable area for the property is 9.00% and the annualised property yield is 9.00%.

The strategic location of the asset, as mentioned in paragraph 2.1 above, is the reason for the difference between the valuation amount and the purchase price.

3. FINANCIAL INFORMATION RELATING TO THE ACQUISITION

The pro forma financial effects of the acquisition on Fountainhead's basic earnings per unit, headline earnings per unit, distribution per unit, net asset value and tangible net asset value per unit for the year ended 30 September 2010 are not material and have not been disclosed.

8 December 2010
Cape Town

Sponsor
Standard Bank